

1947-12-12

MEMORANDUM FOR THE FILE

The Drafting of the President's Message to Congress
on the Greek Situation
Delivered before a Joint Session of Congress
March 12, 1947.

The early part of this record is hearsay from Acheson and others concerned. When the message came from the British Ambassador on February 24, Secretary Marshall took up the matter promptly with the President, with the Secretaries of War and of the Navy, and with the Chiefs of Staff, and it was decided that prompt and vigorous action was necessary.

The next step was the calling of Congressional leaders to the White House on February 27. At that meeting (according to Mr. Acheson) Mr. Acheson and the Secretary, in the presence of the President, presented the problem to Congressional leaders in outline form. The reaction of the Congressional leaders was rather trivial. At that point, Mr. Acheson then launched into a full analysis of just what Greece and Turkey meant to the security of the United States. He apparently reviewed the situation throughout the world, the pressure of communist parties everywhere, and the necessity, in the interest of the security of the United States, in taking a firm stand.

Most of the Congressional leaders were greatly shaken and impressed with this analysis and promised to support whatever measures should be necessary, on the condition that the President should explain the situation fully to Congress in a special message, and to the people by radio. They felt that they could support such a program only if the public were apprized of the grim facts. The President promised to go to the Congress and the people in this manner. He also promised to have a program, including the details of what would be required, prepared for a meeting of the Congressional leaders which he would call eight days thereafter, on Friday, March 7th.

Mr. Acheson called a meeting of key Departmental officers in the Secretary's office Friday morning, February 28. Present among others were Loy Henderson and Jack Hickerson (who were given chief responsibilities in the drafting of a program), Llewellyn Thompson, John Jernegan, John Howard of LE, Havlik, Tyler Wood, Francis Russell and myself, John Gange, etc. There Mr. Acheson in a masterful way described the meeting with Congressional leaders of the day before, outlined the situation as he had outlined it to the Congressional leaders, and told us that we would have to get to work and figure out a program and write a message to Congress and a radio speech for the President. There was before the meeting a document drafted in the Central Secretariat by John Gange (a copy of which I do not have) outlining the various parts of the program that would need to be worked up within the next week.

Mr. Acheson

B
F
I
L
E

Mr. Acheson then retired and Henderson (later replaced by Hickerson) took charge and began assigning responsibilities. When he got down to the drafting of a message to Congress and a radio address for the President, Hickerson very quickly said that he and Henderson would attend to that.

At the end of the meeting Hickerson said that this was certainly the most important thing that had happened since Pearl Harbor and that we should all approach our tasks with humility. We all felt bowled over by the gravity of the situation and the immensity of the steps that were contemplated.

The record from here on involves only the drafting of the President's message to Congress.

Friday afternoon Francis Russell invited me to sit in with the SWNCC Sub-Committee on Information which met to consider the problem of how the question should be presented to the public. In all of SWNCC's consideration there was never any distinction between how the problem should be presented by the President and how it should be presented in background form by the Departmental officers to journalists, radio people, etc. for the purpose of building up support for the Department's policy.

A somewhat smaller group representing the SWNCC Sub-Committee met in Francis Russell's office Saturday morning, March 1, to continue the work and to draft themes, background data, arguments, etc.

Over the week-end Francis Russell, Llewellyn Thompson, and John Jernegan refined the themes and arguments advanced at the previous meetings and worked up the "Information Program of United States aid to Greece", which was sent to Mr. Acheson on Tuesday, March 4.

Meanwhile, over the week-end several of us tried our hands at drafts of the President's message. Loy Henderson wrote a full-length message as did Gordon Merriam, and I confined myself to an attempt to set a tone in five pages of draft.

On Monday, March 3, Loy Henderson sent all of these, and perhaps some others, to Mr. Acheson. Late that afternoon Loy called me and said Mr. Acheson liked my draft best and to stand by for a call from Dean Acheson. Acheson called me late in the afternoon and told me to go ahead with the draft and to get in touch with Henderson.

The next day, March 4, a drafting conference was held in Mr. Acheson's office and I, as the drafter, took copious notes. Mr. Acheson started with the SWNCC paper and it provided a substantial part of the message. This paper, and parts of various drafts were mentioned, and Mr. Acheson indicated whether or not they might be pertinent. From the whole I got a general idea of what was desired.

I therefore worked late that night and turned out a working draft, which was dated March 4. This was considered in conference

File

B

in Mr. Acheson's office on March 5. This draft seemed to meet with general approval. Mr. Acheson said it was a good draft and proceeded to lead the group to a sentence by sentence consideration. Following this meeting, I prepared another draft, which was considered on Thursday March 6. After corrections this was sent over to the White House on Friday March 7. It was also sent to General Marshall in Paris, who replied the next day approving the message except for three minor points, which were deleted.

On Saturday, March 8, Carl Humelsine and I were called over to see Mr. Clark Clifford, Assistant to the President, at the White House. Mr. Clifford had a few specific suggestions but his main criticism was directed at the order of presentation of the draft. The earlier draft opened with the difficulties of Greece, went on to the general situation, and came back to Greece. He suggested that it begin with Greece and discuss Greece, proceed to the general, and then work up to specific proposals and peroration. I then returned to the Department and in an hour and a half, using the same material and same working, turned the whole thing around and it worked out very well. In fact, it was a marked improvement. This draft we returned to the White House and Mr. Clifford considered it on Sunday, March 9.

On Monday, March 10, Clifford brought over and discussed with Mr. Acheson, Mr. Humelsine and me the first White House draft (dated March 10), which was in essence the draft we had sent him plus a few additions. Most of these additions we considered objectionable and Mr. Clifford agreed in discussion to eliminate them. His readiness to acquiesce suggested that they were not his ideas but those of other White House Assistants (not the President's).

Mr. Clifford then returned to the White House and a conference was held with President Truman and Admiral Leahy, and several other advisors. At this conference the President and his advisors approved the draft virtually as presented to them, making only a few exceedingly minor changes.

This draft was sent over to the Department on Monday, March 11, and became the official message.

I have never working on an important State document before that went so smoothly. The major decisions had already been taken, and the specific legislative proposals were being prepared by others. The character and identity of my original draft was preserved throughout. The force of the argument was increased by the editing, rather than the contrary. This I attribute primarily to the fact that the President had promised to explain this situation frankly to the public and there was no possibility of going back on that promise and thus of watering down the argument. But entirely aside from that, I discovered no inclination whatever on the part of anybody in the Department or the White House to water it down. It represented genuinely the unanimous opinion of the Department.

There

- 4 -

There is another thing that should be said for the record. Dean Acheson told us at the first conference on this matter that we should proceed in our work, and with the President's message to Congress, without regard to General Marshall's position in Moscow. The General made this decision himself and ordered it emphasized to all concerned. This was in our opinion the act of a genuine statesman.

When the President returned from his Mexico trip he agreed to go to Congress in person on March 12 and deliver his message, thus obviating the necessity for a separate radio speech.

The message was in my opinion momentous not only for its content, but for the way in which the Government functioned in the crisis: fast, brave, and clean. It seemed to me as though it marked our passing into adulthood in the conduct of foreign affairs.

Just look at it
Wed 1/21/48
about 5:45
when it comes

Dr S
Mr Walter Wilds, State 2572 or 735,
phoned (do not find him listed in Cong
Dir)

"I want to let Dr S know that tomorrow
(Thurs) morning we will send over a letter
to Dr S which will deal with requirements
in Greece for steel from US sources -
what it boils down to is a request that
he telephone from his level 1 or 2 or 3
leaders of steel . . & explain the urgency
of the requirement & ask them if they will
expedite. . in order to save the critical
situation in Greece that has arisen
because of delays" etc (he said the letter
will be self-explanatory)

L

X20

CC: HB (letter to come by messenger to
East Wing)

B File

THE UNDER SECRETARY OF STATE

WASHINGTON

1176 January 22, 1948
L.H. Steelman
2/3/48

My dear Dr. Steelman:

We have been urgently requested by the Chief of the American Mission for Aid to Greece to secure delivery before February 15, 1948 of the following Greek steel requirements:

x 206
x 206-E
(1) The entire 4,153 tons of steel products covered by export preference certificate AR-2-131 which was issued on December 3, 1947. This preference certificate was issued to cover a portion of fourth quarter 1947 requirements certified to the Secretary of Commerce in a letter from the Acting Secretary of State dated December 2.

(2) A minimum of 10,000 tons of billets, wire rods, strip, thin sheets, black plates for ship repair, and drum sheets for olive oil. These items will be covered by export preference certificates about to be issued pursuant to a certification contained in a letter from the Acting Secretary of State to the Secretary of Commerce dated December 24. These certificates will cover an additional portion of the fourth quarter requirements and a portion of first quarter 1948 requirements. The above-mentioned minimum of 10,000 tons thus represents partial deliveries under the forthcoming certificates considered necessary by February 15, 1948. The industry has already been advised informally of the quantities involved under these certificates.

I believe that intervention at your level with the leaders of the steel industry will be essential to bring about the re-scheduling of mill production necessary to permit the delivery before February 15 of these most essential Greek requirements. The industry people have

been

The Honorable

John R. Steelman,

The Assistant to the President,
The White House.

B File

been very cooperative, but this is an abnormal demand upon their facilities. I most urgently solicit your assistance in this matter.

The Chief of Mission has cabled that failure to make the above deliveries by February 15 may jeopardize the entire Aid Program by undermining Greek confidence in the ability of the American Mission and the Foreign Trade Administration to perform promised undertakings in a matter vital to the basic Greek economy, and has requested that he be furnished immediately complete references to production and shipping schedules on the foregoing as well as on the balance of fourth quarter 1947 and first quarter 1948 requirements as certified in the two letters of the Acting Secretary of State mentioned above. He wishes this information to release to the press in order to combat current pressures within the Greek Parliament which are operating to upset the basic decisions of the Mission with respect to the general program of imports for Greece.

The bulk of the orders under (1) above have been placed with United States Steel Export Corporation, Bethlehem Steel Company, and Republic Steel Company, and presumably, in view of their relative importance in the industry, these same firms will receive the bulk of the orders under the forthcoming export preference certificates to be issued as described in (2) above. Mr. Benjamin Fairless, Mr. Eugene Grace, and Mr. Tom Girdler are the three principal figures with whom I hope you will discuss this problem.

I enclose copies of the two letters of certification, dated December 2 and December 24, 1947, which are mentioned above, and am also sending copies of this letter with its enclosures to Mr. Bruce, Assistant Secretary of Commerce, and to Mr. Mack, Director of the Bureau of Federal Supply, for their information.

I shall be very grateful for your help in this extremely urgent matter.

Sincerely yours,

Walter Wilds

Walter Wilds
Acting Coordinator for Aid
to Greece and Turkey

Enclosures:

1. To Mr. Harriman,
December 2, 1947.
2. To Mr. Harriman,
December 24, 1947.

62-2572
B File

O
P
Y

December 2, 1947

In reply refer to
IR

My dear Mr. Secretary:

The Department of State has received several communications from the American Mission for Aid to Greece concerning its urgent need for supplies of steel mill products for use in connection with its important work in Greece.

Normally supplies of steel for Greece come from European sources, such as Belgium, Luxembourg, England and Sweden. The Mission states that recent price quotations from European countries are exorbitant and that it has been necessary, therefore, to deny applications for import licenses from these sources. It requests that procurement and export of this steel from the United States be arranged.

The need for the steel is urgent and immediate. It is estimated that eighty per cent of the heavy industry in Greece will be forced to shut down unless the steel can be landed in Greece promptly. The total required is 3,776 metric tons of various mill products as detailed in the attached memorandum, dated November 17, 1947, a copy of which has been sent to the Office of International Trade. This total does not include the tonnage for pig iron (1100 tons) and ferro manganese (40 tons), products for which procurement from other sources is being arranged.

I

The Honorable
W. Averell Harriman,
Secretary of Commerce.

B File

I herewith certify that the prompt procurement and export of the steel items (except pig iron and ferro manganese) in the quantities listed in the attached telegram from Athens, No. AMAG 460 of November 12, 1947 and clarified in the above-mentioned memorandum dated November 17, 1947, are of high public importance and essential to the carrying out of the foreign policy of the United States. This request, therefore, qualifies for your consideration for export preference assistance under paragraph b(ii) of Allocations Regulation 2. I strongly recommend your favorable action on this request.

Sincerely yours,

Acting Secretary

Enclosures:

Memorandum
November 17, 1947

Telegram
AMAG 460, November 12, 1947.

B File

December 24, 1947

In reply refer to
U/GT

My dear Mr. Secretary:

On December 2, 1947 the Department of State certified to you a portion of the fourth quarter requirement of steel for Greece, 3,776 metric tons, on which your office took favorable action on December 4.

At that time there were pending further requirements, which we delayed certifying pending additional justification of need. It has been developed that, in the opinion of the Chief of the American Mission for Aid to Greece, unless these further requirements are met, a major unemployment problem and economic dislocation will result, which will, in effect, undermine the entire civilian aid effort of the American Mission. The Chief of Mission further states that, if the total fourth quarter requirement of 19,000 tons were secured from the European markets as was originally contemplated, the additional cost would be between \$1,500,000 and \$2,000,000. The limitations on aid funds and the Greek shortage of foreign exchange render this cost prohibitive.

In view of all the factors entering into this unusual requirement I hereby certify that it is of high public importance and essential to carrying out of the foreign policy of the United States to procure and export promptly such portion of the quantities of the steel items (except pig iron) listed in the attached telegrams from Athens (No. AMAG 524 of November 23 for 14,057 metric tons, a portion of the fourth quarter requirement, and No. AMAG 620 of December 8 for 19,185 metric tons, a portion of the first quarter 1948 requirement) as can be obtained without serious adverse effect upon the domestic economy. This request, therefore, qualifies for your consideration for export under paragraph b (ii) of Allocations Regulation 2. I recognize in stating this that, in carrying out your responsibility, it may prove necessary for you, in taking action, to make adjustments in quantities and in delivery schedules with a view to minimizing the impact upon the domestic industry. It is strongly recommended that you take favorable action on this request.

Sincerely yours,

Acting Secretary

Enclosure:

1. AMAG 524
2. AMAG 620

The Honorable
W. Averell Harriman,
Secretary of Commerce.

B-File

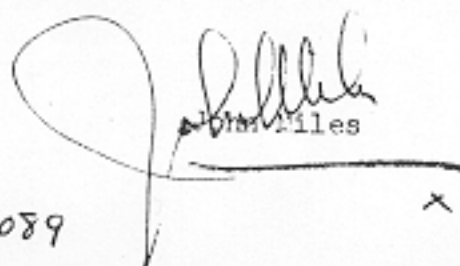
DEPARTMENT OF STATE
THE UNDER SECRETARY

May 12, 1948

To: Mr. Eben Ayers

Attached is the final draft of the
President's third quarterly report on
Greek-Turkish aid. #

This draft has all internal clearances
except that of Mr. Lovett, which is being
obtained concurrent with your clearance.


John H. Hines

State 3089

X20

B File

CONTENTS

THE PRESIDENT'S LETTER OF TRANSMITTAL

INTRODUCTION

GREEK AID PROGRAM

Military Assistance

British Service Missions and Troops in Greece

Progress of the Military Aid Program

The Economic Situation

Contribution Towards Economic Stability,
and the Role of the Mission

Public Finance

Commerce and Supply

Contribution to Improved Administration and Public Welfare

Health

Labor

Relief and Welfare

Agriculture

Reconstruction

TURKISH AID PROGRAM

APPENDIXES

Relating to Process

5/10



BLEH

Letter of Transmittal:

The third quarterly report on United States aid to Greece and Turkey, covering the period from the inception of the program to March 31, 1948, is submitted herewith.

When the United States responded to the requests of Greece and Turkey last year the integrity of both countries was seriously threatened. The economy of Greece was war-ravaged, prostrate. The country was beset with turmoil caused by armed minorities. Turkey was under extreme pressure from the Soviet Union and her resources were insufficient to continue the maintenance of the abnormally large security forces made necessary by the circumstances. Today the situation remains critical. But one encouraging fact stands out. In a year that has seen other European countries come under communist domination, Greece and Turkey remain free.

8-File

While their people face adversity, they have the right to work out their own destinies in their own way. They enjoy personal liberty guaranteed by law, freedom from government suppression, opportunity to earn a livelihood in occupations of their own choice and a sense of personal dignity. It is a tribute to the steadfastness and character of the peoples of Greece and Turkey that they have successfully maintained their independence and institutions against pressure and aggression. These peoples are holding the line of freedom with the assistance of the United States.

B File

The story of United States aid to Greece can be told in three phases. These comparative stages show just how far we have come. Quite naturally our first efforts were largely devoted to planning and preparation. It was a big assignment, and the time was short. Concerted efforts were made at once to begin the flow of supplies under the program. Next came the crisis period. Here it was our job to assist the Greeks in stemming the bitter tide of opposition. For some time the tempo of guerrilla action increased rather than subsided. The number of refugees fleeing the countryside for the relative safety of the villages and cities mounted steadily. Here we discovered that the furnishing of military assistance was even more important than we had anticipated. Funds originally earmarked for economic purposes had to be diverted to build up the Greek National Army.

Today,

B File

Today, in the third phase of development, the military situation remains critical and of first importance. Security has not been won and the number of refugees continues to increase. However, there is a basis for considerable improvement. Encouraging factors are to be found in improved Army morale, formation of national defense battalions which will free the Greek National Army for offensive campaigns, arrival of substantial additional quantities of military equipment under the aid program, and the resulting successful military actions of the past few weeks. The current economic picture in Greece remains poor. It is characterized by strong inflationary pressures, retarded production, and delays in reconstruction. But measures have been taken which have kept Greece on its feet and which will pay increasing dividends in the months ahead.

The

B-File

The Turkey aid program, devised to enable the modernization of the Turkish military establishment, is proceeding according to plan. Arrival of aid equipment in increased quantities has reinforced the already high morale of the Turkish Armed Forces, and the adaptability of the Turkish soldier to modern mechanized equipment is indicated by the success of the training programs being conducted by the United States military mission. The program is having the desired effect of increasing Turkish ability to resist external aggression, which will be strengthened even further by increased shipments of air, ground, naval, and road program equipment in the months ahead.

Of great importance is the authorization under Title 3 of Public Law 472 of \$275 million for continued military assistance to Greece and Turkey during the period from April 1, 1948 to June 30, 1949. It provides concrete assurance to the people of Greece and Turkey that we mean to stand by them until their security is firmly established, and paves the way for the full participation of these countries in the European Recovery Program.

B File

As the third phase of our aid to beleaguered Greece and Turkey comes to a close, it is apparent that our efforts thus far have met with limited but measurable success. While the problems are still grave, they are by no means insurmountable. We stand today in an interval of hope where, with reserved optimism, we can look forward to the eventual attainment of our objective--to help the peoples of Greece and Turkey retain their independence and achieve genuine economic and political stability within the family of democratic nations.

Introduction:

(Insert outline map of Europe with ERP countries shade, here)

When assistance to Greece and Turkey was authorized last year, the Government of the United States responded to a grave situation that imperiled the integrity of these two countries and involved the fundamental interests and the security of the American people. The following report sets forth the problems encountered, the measures adopted for dealing with them, and the progress made to date.

The

B File

The nature of the problems in Greece and Turkey are as notable for their differences as they are for their similarities. Greece was ravaged by the war in which Turkey did not participate directly. Greece is economically destitute and militarily weak, while Turkey by comparison is strong. Greece is torn by internal strife that has not affected her neighbor. These countries have, however, many similarities. Both are strategically located on the eastern Mediterranean. Both have land frontiers bounded by communist dominated countries. Both are confronted by the same threat--the loss of their independence through direct or indirect communist aggression.

It is this common threat to Greece and Turkey which made United States Military assistance imperative. In recognition of this, the Congress, on May 22, 1947 enacted Public Law 75 authorizing the United States to render financial, technical, and material aid to the Governments of Greece and Turkey in the amount of \$400 million. This ^{appropriation} ~~legislation~~ provided for military assistance to Turkey and both military and economic assistance to Greece. The \$275 million recently authorized for continued aid to Greece and Turkey during the period from April 1, 1948 to June 30, 1949, will be used for military purposes exclusively. United States economic aid for these countries will be through the European Recovery Program.

It

B File

It is planned that funds made available to Greece under the European Recovery Program will at least for the time being be administered through the American Mission for Aid to Greece in substantially the same way as funds for economic assistance now being rendered under Public Law 75. Thus the Greek Government will continue to receive economic as well as military assistance through the American Mission.

Essentially, the recovery of Greece is dependent upon the total Greek effort. While this country is supplying substantial amounts of supplies and equipment the more important role of United States aid is that of the advisory mission in helping to stabilize the economy and social structure of the Greek nation. In the first place, therefore, it is the function of the American Mission for Aid to Greece to administer the aid program so as to encourage all elements in the Greek economy which can in any way influence recovery. Secondly, the Mission is concerned in providing United States advisory and technical skills to achieve maximum benefits from the money spent. Examples are found in the assistance given in overhauling the social security system, the civil service structure, and tax laws; the organization of government ministries, methods of exchange and trade controls, and budgetary operations. In fact, the American Mission has made available skilled assistance with respect to the efficient functioning of almost every phase of the Greek economy.

While

While progress is being made in stabilizing the economy of Greece, the situation remains critical. Such factors as inflation, hoarded capital, the burden of supporting refugees and indigents, and general fears arising from unstable conditions continue to retard the economic recovery of the country.

The military situation still is of first importance. Armed bands continue to molest the populace and disrupt the nation's efforts at reconstruction. However, recent successes of the Greek National Army, improved morale, and formation of defence battalions which will permit the Greek Army increasingly to go on the offensive, are expected to improve the situation materially. The continuance of United States military assistance, which clearly shows United States determination to see that the Greek nation remains free, has bolstered Greek morale and it is hoped will further discourage guerrilla resistance.

In Turkey the program continues uninterrupted. Plans and facilities for the training of Turkish soldiers in the use of new equipment being provided under the aid program assure the ready absorption of this equipment directly into defense use. The quiet self-confidence and competence of the Turkish military establishment are a stabilizing influence in this troubled area of the world, and it is assured that United States technical and material aid will under the program be put to the best use in the interest of world peace.

U. S. MILITARY ASSISTANCE

The program of American military and naval assistance to Greece has developed substantially during the last quarter of the period under review. The military and naval advisory groups of the American Mission have been more fully staffed and have perfected their working relationships with the Greek Government and Armed Forces. Deliveries of equipment and supplies to the Greek Armed Forces have reached large proportions during the last quarter, and more successful operations against the guerrillas are proof of the newly attained strength of the Greek Forces.

The military and naval advisory groups of the American Mission now consist of the Joint United States Military Advisory and Planning Group, the U. S. Army Group and the U. S. Navy Group. The Military Advisory and Planning Group, established on December 31, 1947, ~~and commences~~ works with the Greek Army Command and General Staff on the overall strategic and tactical planning of operations against the guerrillas. The Director of the Planning Group, who holds the rank of Lieutenant ^{the} General in U. S. Army, is responsible to the Chief of Mission, and on purely military matters to the U. S. Joint Chiefs of Staff, for all the military and naval advisory work of the Mission. He is

also head of the U. S. Army Group, which has the working responsibility for the ground and air supply and training programs. The Director of the Planning Group attends the meetings of the Greek Higher Military Council and is a member of the Greek Supreme National Defense Council. The personnel of these advisory groups of the Mission supervise the flow of military and naval equipment and supplies into Greece under the Aid program, advise the Greek Armed Forces on matters of supply and training, and give operational advice to the Greek Army down to the divisional level. Although United States officers of the Military Planning Group/accompany ^{at times} operational units of the Greek Forces, they neither participate in combat nor command Greek troops. The United States has no combat troops in Greece. The presently authorized total strength of the military and naval advisory groups, including ____ civilian personnel, is as follows:

Military Advisory and Planning Group	_____
U. S. Army Group	_____
U. S. Navy Group	_____
Total	_____

British Service Missions and Troops in Greece

The British Armed Forces are represented in Greece both by advisory missions and by troops.

The advisory missions are the British Military, Naval, and Air Missions, which advise with respect to the organization and training of the regular Greek Forces, and the British Police and Prisons Mission, which advises on the organization of the civil police and Gendarmerie, and on the administration of prisons.

These Missions have been active in Greece for most of the period since the liberation of Greece from German occupation in 1944. Prior to the inception of American Aid to Greece, the British Missions were engaged in a military supply program, as well as organizational and training work.

British financial and supply assistance to the Greek Armed Forces was substantial during that period. Direct British assistance to Greece since the liberation in 1944 is estimated at \$_____ (£62.5 millions) aside from an expenditure of \$_____ millions (£34.6 millions) for the maintenance of British troops in Greece. Since May 22, 1947 - the date of approval of

The British service missions work in close cooperation with the military and naval staff of the American Mission for Aid to Greece in matters of common interest. Their organizational and training work complements the work of the American Mission. The presence and work in Greece of the British service missions contribute greatly to the furtherance of the purposes of the American aid program.

British troops in Greece number a few thousands. Their function is separate from that of the British service missions. Since December 1944, when they helped suppress a communist-inspired insurrection, they have not participated in military operations, although during 1945 they assisted the Gendarmerie and Police in such unsettled areas as Macedonia. However, their presence in Greece continues to exert a stabilizing influence and serves as a deterrent to invasion.

British troops were invited to enter and ~~maintain operations~~ remains in Greece by the Greek Government. The first agreement on this subject was entered into at Caserta in September 1944. Later in 1944, when King George delegated his authority as head of state to Archbishop Damaskinos as Regent, the latter authorized the presence of the British forces and expressed his nation's gratitude for the services the British forces had rendered. In January 1945, the Sophoulis Government formally affirmed that the British forces were present in Greece upon the invitation of the Greek Government, and this has been reaffirmed by subsequent Greek governments.

Progress of the Military Aid Program

In order to prepare the Greek Armed Forces for their task of destroying the rebel guerrilla forces and eliminating the communist menace to the political stability and national integrity of Greece, the Greek Government, in consultation with the American and British advisory groups, has taken a number of steps with respect to the size, disposition, equipment, and organization of the Greek Forces. The Greek National Army, the present permanent strength of which is 132,000 men, having been increased from 100,500 since _____, has recently been authorized to increase its numbers temporarily to a total of 147,000 men. The National Defense Corps has been brought virtually to its full authorized strength of 155,000 men and dispersed throughout the provinces of Greece to provide a static defense of towns, villages, and installations and to free the Greek National Army for mobile offensive operations.

Certain deficiencies in the organization and equipment of the Greek Army which prevented its being a well-balanced force have been for the most part remedied. By the end of March the Mission had delivered to the Greek forces more than 15,000 tons of ordnance supplies worth 17.5 million dollars. Since the arrival of the first ordnance cargo under the Mission program last August, more than 2,800 vehicles; 75,000 weapons of all types; and 7,000 tons of ammunition have been supplied to the Greek Army. Included are machine guns, sub-machine guns, mortars, rifles, trucks, tractors, wreckers, and various ordnance tools. Also, a considerable number of 81 millimeter mortars and 75 millimeter pack howitzers ordered from U. S. army stocks were expected to arrive shortly after the end of the quarter. These are in addition to other weapons supplied to Greece by the British Military Mission prior to the arrival of the American Mission.

Ordnance officers of the Mission's U. S. Army Group, in addition to handling all ordnance supply matters, have given technical advice on maintenance, repair, and manufacture of items in Greek Army ordnance workshops.

Complete agreement on the command organization of the Army and the independent powers of the Greek General Staff has paved the way for efficient planning and operations and made possible the promotion to high rank of able officers who had distinguished themselves in military leadership.

During the period under review, the Greek Forces struck telling blows against the guerrillas, such as the notable success in the Pierra-Olympus battle, which resulted in the killing or capturing of 1,155 bandits; which constituted the main strength of the guerrilla concentration in that area.

The Greek Air Force, which has made a major contribution to the Greek military effort, has now been augmented by the furnishing of a substantial number of additional training, reconnaissance, and combat planes under the Aid Program. The reconstruction and improvement of air fields to permit all-weather operation has increased the Air Force striking power. Flight training in the United States is being provided to fifty Greek Air Force cadets.

The limited need for naval operations in the war against the guerrillas has not prevented the Greek Navy from playing an important part in the struggle. The Greek Navy continues to patrol the extensive Greek coast line to restrict the guerrillas' freedom of movement. It also furnishes transport facilities, operates assault craft for amphibious raids, and furnishes naval gunfire support for land operations. The Greek Navy's mine sweeping activities have also increased the safety of ships entering Greek ports. The Greek Navy now includes the six new gunboats provided under the Aid Program, which are manned by Greek crews trained in the United States.

During the quarter just ended, the flow of necessary supplies for subsistence and maintenance of the Greek Forces was kept at an adequate level and the delivery of the military equipment to complete the preparation of the Greek Forces for offensive action was largely accomplished.

Total aid rendered under military and naval programs up to

_____ was as follows for the categories of assistance indicated:

Although not all the American equipment to be provided under the Aid Program has arrived, the deliveries which have already been made placed the Greek Army in a position of great superiority over the guerrillas. Comparative casualties in the major engagements to date have provided conclusive evidence of the inferior fire power of the guerrillas. One of the primary reasons for the previous limited military operations by the Greek Army has been the wide dispersion of its forces which prevented effective concentration for offensive action. This condition no longer exists.

Impressive evidence of direct foreign aid to the Greek guerrillas has accumulated and continues to be uncovered and released to the press by the United Nations Special Committee on the Balkans, which has its headquarters at Salonika. The Committee's report on the shelling of Salonika in early February revealed the Committee's conviction that "the military equipment used in the operation came from Yugoslavia in the autumn of 1947 and the winter of 1947-48." This shelling incident resulted in the death and injury of several civilians. The United Nations' observer teams have also collected eye witness evidence of foreign involvement in the guerrilla warfare, such as the observation on March 29 of six vehicles in Albania moving up

to a Greek guerrilla position on the only supply road open
to the guerrillas/ ^{in that area} and the observation on April 1 of the
firing of tracer bullets from different positions in Albania
into Greece for a period of about an hour. These two
incidents are merely examples of the ~~conclusive and considerable~~
evidence now in the records of the United Nations' Committee.
They confirm previous evidence assembled through the activities
of other United Nations' bodies indicating defiance of the
United Nations General Assembly's resolution of October 21, 1947,
calling upon Albania, Bulgaria, and Yugoslavia "to do nothing which
could furnish aid and assistance to the said guerrillas." Other
forms of open encouragement, such as the formation of "Committees
for Aid to Markos" in each of these countries, which render
financial assistance and conduct propaganda campaigns, are
abundant.

The Economic Situation

Greek economic recovery continues to be retarded by the
general insecurity and uncertainty. Lack of confidence in the
Greek currency and in the economic future of the country continues
to retard investment and trade, and to aggravate the demand for
gold and foreign currencies for hoarding. Prices have continued
to rise, largely as a result of great demands for gold, the price

of which tends to serve as the basis for the establishment of commodity prices and wages throughout the country.

(Two graphs: drachmas per dollar and drachmas for sovereigns)

A few months ago the public demand for gold tended to be sporadic with the greatest volume occurring during and immediately following large guerrilla operations. Now the demand is relatively constant and has driven the value of the gold sovereign upward from 204,000 drachmas at the end of last year to 231,000 drachmas on March 31, 1948. So persistent has been the demand for gold that on two occasions during the quarter from January to March, 1948, the American Mission felt it necessary to approve the Greek Government's request to convert gold bullion held in its account in New York into sovereigns for sale to the Greek public. This was considered an essential anti-inflationary measure to stabilize the price of the sovereign and therefore to counteract the rise in the cost of living, at a time when further economic disintegration would affect seriously the general security of the country.

Graph of Commodity Prices

The inflationary pressures remained very strong during the period under review. As estimated by the Mission, the commodity price index for twenty commodities on the Athens Free Market rose from 135 on December 31, 1947 (March 1947 = 100) to 147 as of March 31, 1948. It is hoped that favorable military developments and the Mission's accelerated import program will counteract these trends until the longer range stabilizing forces which have been set in motion can turn the tide.

The Mission's index of food prices in the Athens area has risen from 245 as of December 31, 1947 (1938 = 1) to 276 as of March 31, 1948, while the clothing index had gone from 271 to 279. It seems probable that even greater proportionate increases occurred outside the Athens-Piraeus area where the supply situation is less favorable and the flow less regular. Rents, however, are holding rather constant because of the effectiveness of rent control measures.

A balanced national budget for the fifteen months period ending June 30, 1948, was prepared in close collaboration between the Greek Government and the Mission. ~~if the budget can be adhered to~~
This has removed
it. one major cause of inflation in Greece since the end of the
last war ~~with the government's deficit~~. Where previous deficits were

necessarily met by printing additional currency, thereby contributing to inflation, The Government has, through adhering to a balanced budget during the first quarter of 1948, been able to reduce the volume of currency in circulation from 970 billion drachmas on December 31, 1947, to 890 billion drachmas on March 31, 1948. (graph volume of drachma currency in circulation)

Considerably more success has been achieved in agricultural production than in industrial output. Despite the obstacles of inadequate equipment, a shortage of work animals and transportation difficulties, the Greek farmers have succeeded in planting about 85 per cent of normal prewar acreage for the 1948 crop. Some land, of course, cannot be farmed because of guerrilla activities. Agricultural supplies and equipment made available to Greek farmers through the American aid program have been an important factor in the production prospects.

Industrial production is presently at a rate below that prevailing the end of last year. Whereas the rate of production in October of 1947 was estimated by the Mission to be about 75 per cent of the 1939 level, it is currently below 70 per cent for the nation as a whole. In the Athens-Piraeus area production probably does not exceed 65 per cent of prewar.

A major problem presently confronting Greece is that of distribution of necessary civilian supplies to the rural areas. Through American aid, the total volume of supplies reaching the country is believed to be adequate to meet the minimum needs. The transportation system, however, is still only partially in operation following wartime damage, while in some areas guerrilla activity hampers normal movement. The Government is attempting to meet this difficult situation through the distribution of supplies by truck, but in the meantime shortages of various goods exist in the more remote areas, which creates human misery and leads to soaring prices for the goods available. In order to counteract the high prices and to assure some degree of equitable distribution, as many food items as possible will be sold on an issue or ration basis throughout Greece and special efforts are being made to effect distribution in areas difficult of access.

The number of refugees from guerrilla operations continues to increase. Numbering about 430,000 on December 31, 1947, the total has since risen to 517,000, even though the Government and the Mission have sought to reduce the number by preventing new arrivals and by moving many back to their farm and village homes. These refugees constitute a heavy financial drain on the Greek treasury, amounting

to about 100 billion drachmas for the quarter, but even more important is the loss of their productive efforts on their farms and in their shops or businesses.

The United States Contribution Towards Economic Stability, and the
Role of the Mission

The recovery of Greece cannot be expected to result from United States assistance alone, however important that assistance may be, but only from the total Greek effort. United States aid should be considered in the light of its contribution toward stabilisation of the entire economy and social structure of Greece, and not merely in terms of goods supplied and reconstruction work completed.

It is the objective of American economic aid to help stabilize the Greek economy by alleviating the strain imposed by the necessity of maintaining large military forces and at the same time assisting in the reconstruction of war and occupation damage and the provision of the minimum essential civilian supplies from abroad.

The Greek Government in its request for aid, asked for both financial and technical assistance, and stated that in order to survive, Greece must have among other things, "The aid of experienced American administrative, economic and technical personnel to assure the utilization in an effective and up-to-date manner of

of the financial and other assistance given to Greece, to help to restore a healthy condition in the domestic economy and public administration and to train the young people of Greece to assume their responsibilities in a reconstructed economy."

In the aid agreement between the Government of the United States and the Government of Greece it was stipulated that a United States mission would provide such advisory assistance and would exercise such functions as might prove necessary in assisting the Government of Greece to make the most effective use of help furnished by the United States and of Greece's own resources. Within these terms, the American Mission, in administering aid funds, has taken into consideration all factors that influence recovery. A significant United States contribution in the aid program is that of advisory and technical skill to help in the revitalization and stabilization of Greece's economic life and social institutions which were so thoroughly disrupted during the war.

The Mission has made every effort to assist the Greek Government to establish a balanced national budget and institute a sound fiscal policy. A budget review process has been established in which every expenditure item is carefully scrutinized to assure that the expenditure of Greek resources will be confined to items of first importance in the recovery of Greece. Assistance has been given in the marshalling of exchange resources and in helping the Government of Greece in devising means of augmenting them. Advice and counsel have been given on exchange controls, and the "Certificate Plan" was devised to better enable Greek exporters to compete in world markets.

The Mission collaborated with various ministries of the Greek Government in drafting legislation to enable the recapture of foreign exchange earned by Greek shipping. Likewise, legal and technical assistance has been given in revising the tax structure and tax collection system. Considerable assistance was given in the drafting of the recently enacted law requiring maintenance by business organizations of standardized accounting records in order that the Government may determine business profits for taxation purposes. Previously, Greek business concerns have not maintained

D

accounting records as commonly understood in this country and the Government has been obliged to levy taxes arbitrarily on the presumed capacity to pay. The new legislation should considerably increase income from this source. Further efforts to increase revenues are under study by Mission personnel working in cooperation with the Greek Government. The Greek tariff structure is under review, and operating practices in the customs houses are being appraised.

The Greek Government and the Mission have sought to improve the banking system and develop a sound credit policy through a new credit control bill presented to the Parliament and recently enacted into law. The new law provides for centralization of authority over banking operations in the Currency Committee,* which will establish loan standards and adjust the flow of bank credits to the requirements of Greek production, and will have the power to control interest rates and reserve requirements.

Footnote

* A committee of Greek, American and British ^{financial} specialists which has responsibility for the control of the issuance of Greek currency and the use of Greek foreign exchange, as well as for the formulating banking and credit policies.

United States trade experts have led missions to Germany in an effort to restore, at least in some measure, trade with Germany which before the war was so important in the Greek economy. An agreement signed with United States occupation authorities provides for the sale of Greek tobacco, olive oil, and minerals against purchases of German industrial and chemical items.

Another major step was that of devising, with the Greek Government and through appropriate consultation with ^{businessmen} ~~members~~ of Greek ~~trade~~, an overall import program which would assure that only the highest priority goods would be imported. A Foreign Trade Administration, headed by an American in the employ of the Greek Government, has been created to control all imports and to coordinate the import program with foreign exchange availabilities.

Concurrent with these measures was the work of specialists and engineers in surveying the needs and planning for work immediately necessary to reconstruction and rehabilitation. The Mission apportioned aid funds to those projects which would yield the maximum benefit in terms of stabilization of the Greek economic structure. From time to time the Mission has found it necessary to reapportion aid funds in order to take

D

into account shifting needs and exigencies. Early in the program it was found necessary to augment the import program as an anti-inflationary measure, and later a shift from the economic to the military program was necessitated by the security situation. The current apportionment of funds is given in chart _____ included in the appendix.

U.S. supply assistance to Greece under the aid program is of two general types: goods procured via U.S. Government procurement channels and goods provided through private trade channels but financed with aid funds.

U.S. Government procured items, are for the most part food items which are in short supply and under allocation or are goods intended for use in the Mission's reconstruction and rehabilitation activities. Goods flowing through private trade channels and financed with aid funds are paid for in advance in drachmas by Greek importers. Aid funds in this instance are used to augment the meager Greek earnings of dollar exchange enabling the import of goods vital to the civilian economy.

The drachma proceeds of imports financed by American aid are deposited in the Bank of Greece and used for various reconstruction and rehabilitation programs as agreed to by the Mission and the Greek Government. It is these funds which defray the local costs of labor and materials used in carrying out the reconstruction work of the Mission.

(Drachma budget either here or in appendix)

Improvements in the Greek Government Administration

The effort towards stabilization and rehabilitation of the Greek economy of necessity extends beyond purely economic fields. During the several years of war, occupation and internal strife, the Greeks experienced the systematic disruption of their social institutions and ^{government} administrative machinery. Governmental functions were dislocated, education was neglected, public health efforts were severely curtailed, new social legislation and advancement were rendered impossible, and labor organizations were disrupted. Without constructive action in these various fields, there can be no sound basis for Greek recovery.

The Mission is assisting the Greek Government in a number of projects designed to improve the efficiency of governmental machinery. Of considerable importance has been the work toward decentralization of government functions which heretofore have been unduly concentrated in Athens. Meetings of a joint Greek-American Committee of Governmental Organization have been held in major cities of the country and wide interest and participation from persons in all walks of life have been encouraged and obtained.

The Mission has been engaged in surveying various Greek Ministries at the request of the Greek Government. These surveys emphasize the question of proper allocation of functions among and within the Ministries and are not concerned with minor changes in internal organizational structure. In appraising each function, its value in terms of its contribution to military security and the national economy is used as a criterion. The prime consideration underlying every recommendation for change is that Greece as an economically impoverished country must limit its governmental expenses to the absolute minimum. At the present time surveys have been completed, and where necessary enabling legislation for reforms drafted, with the assistance of the Mission, by the Ministries of Interior, Public Works, National

Economy, Posts, Telephone and Telegraph, Agriculture, Supply and Transport.

The Mission has devoted considerable effort to improving the Greek supply distribution system, and has participated in the drafting of legislation for the reorganization of the Ministry of Supply to eliminate jurisdictional overlaps and complications inherent in the present structure. Recommendations have been made on ocean transportation problems and establishment of adequate port controls. Health officers of the Mission are engaged in surveying the Ministry of Hygiene, while Mission transportation specialists are surveying the Ministry of Mercantile Marine. Other assistance in the field of Civil Government has been made available in surveys of the wage and pension systems, drafting of a comprehensive civil service law providing a uniform system of personnel administration, and preparation of a comprehensive civil service training program.

Recognizing the urgent need for Greece to reestablish training facilities suspended during the war period and to broaden the base of specialized knowledge in various fields, the Mission has offered assistance and encouragement wherever possible. The long period of occupation and continued internal

strife, the large numbers of displaced persons and critical housing situation, ^{and} the necessity for supporting a large military establishment ~~and the economic improvement of the country~~ have all had an adverse effect upon educational opportunities and facilities. As referred to in various sections of this report, the Mission has cooperated with the Government of Greece in establishing specialized training programs in those fields which most urgently require improved Greek skills.

Health Program

The Mission's Public Health Division has made a significant contribution to Greek welfare. With the approach of the wet ^{bent} season, the Mission ~~has been making~~ every effort to expedite the malaria control program. Because the great increase in refugees and substantial population shifts resulting from military action increase the hazards from disease and epidemics, many precautionary measures have been necessary. The Mission has aided the Greek Government in drafting legislation to provide for unified tubercular control, and assistance is being given in providing tubercular control education and I-ray training for select personnel of the Ministry of Hygiene. An immunization program for the control of diphtheria, typhoid fever, smallpox and typhus is under way.

Assistance is also being given in the distribution and effective use of health supplies on hand and a procurement program has been drafted to supply X-ray and other specialized equipment essential to a well-rounded health program. Field inspection trips have been made and assistance given in problems peculiar to each province. The Greeks are being encouraged to establish health training programs which will assure adequate numbers of nurses and other specialists for the future.

Labor

Greek labor developments in the first quarter of 1948 have been featured by (1) formal steps towards repeal of the drastic anti-strike law of December 7, 1947; (2) convocation of a national Congress by the Greek Confederation of Labor; (3) the persistence of demands for wage adjustments in the light of continuing inflationary pressures; (4) American assistance in improving the administration of Greek social security legislation and operation; and (5) American interest and assistance in rehabilitating industrial training schools and other programs designed to provide skilled workers for the reconstruction effort.

1. Repeal of the Anti-Strike Law

An important step towards repeal of the anti-strike law of December 7, 1947 (see Second Report to Congress) was taken on April 1, 1948, when a repeal decree was proposed for approval by the Parliamentary Commission. This action was designed to coincide with the National Labor Congress in fulfillment of a promise made by the Greek Government during February to leaders of the Greek Confederation of Labor. Annulment of the anti-strike law, when it finally takes place, will be an expression of the Government's confidence in the loyalty and sense of responsibility of the leadership and rank-and-file of Greek labor. It should also indicate to public opinion in Greece and elsewhere that the Greek Government, despite the perils it faces, is determined to maintain essential democratic liberties to the fullest measure compatible with national safety.

2. The Greek Labor Congress

A new phase in the development of the Greek labor movement has begun with the holding of the Greek Labor Congress, which met at Piraeus March 28 to April 14. Although factionalism and inexperience in Parliamentary practice continued to limit the achievements of the Congress, Greece stands out as the only Eastern European country where a free labor conference is permitted. The full

results of the Congress, particularly the composition of the National Executive elected to guide the Greek labor movement, are not available at this time. But there is every reason to hope for the development of a labor movement comprised of all loyal, non-communist elements effectively united in support of the national reconstruction effort.

3. The Wage Issue

With only a few exceptions, the national wage pattern established in the nation-wide collective agreements of November, 1947, has been maintained until the present, ~~implying~~ ~~a continuing decrease in the cost of living.~~ Renegotiation of the agreements, which, according to their terms, is to be undertaken in the near future, will provide a further test of the ability of Greek industry and labor, assisted by the Government and the Mission, to reach agreement on questions of vital concern to the workers and the nation. Labor representatives can be expected to seek either a wage increase adjusted to the rising cost of living or effective controls over prices and distribution of essential foodstuffs to assure continuance of existing living standards.

4. Social Security Administration

The administration of social security in Greece touches not only the welfare of Greek citizens, but the entire economic, fiscal and administrative structure of the country. The destruction of social insurance reserves by successive inflationary waves, the imposition of a welter of "special" and "third-party" taxes and levies to support particular welfare activities, and the complexity of the administrative apparatus have combined to hamper Greek trade and industry while failing to provide real social benefits. The importance of this problem to Greek economic revival was recognized last year by a team of experts sent to Athens by the International Labor Organization at the joint request of the Greek Government and the Confederation of Labor. Two American social security experts have now been attached to the Mission on a temporary basis to review the existing structure and make recommendations for its improvement. Their work, if successful, will contribute effectively to the rehabilitation of the Greek economy and the welfare of the Greek people.

5. Training Skilled Workers

It is now evident that a serious shortage of skilled workers, resulting largely from the disorganization of training facilities during the war and occupation, may seriously hamper Greek industrial progress once economic reconstruction gets into stride. In order to anticipate the needs which will then arise, it is necessary to begin now to provide industrial training. There are in existence basic facilities which can be placed in operation, with outside help and internal reorganization, within a fairly short time. Recognizing the need for skilled workers, the Mission will soon bring to Greece an American specialist in vocational and apprentice training, who will advise Greek Government agencies, industrial organizations, and training institutions in this field. Given the existing shortage of skills, and the fact that industrial and occupational training is now at a standstill, such advice can make a much needed contribution to the Greek recovery effort.

Relief and Welfare

The number of refugees from military action has continued to increase, although at a lower rate than in the previous quarter.

(Graph of number of refugees)

A recent development in the communists' tactics for inducing chaos is their widely announced program of taking Greek children to other countries for "protection and education". Apprehension resulting from these factions has swelled the number of refugees and caused the diversion, to some extent, of military energy to the transport and protection of children by the Greek National Army. This vicious threat has been successful in its calculated effect of increasing the burden of social dislocation and public financial relief.

During the last quarter of the period under review it became necessary to finance with Greek Aid Funds the continuation of the food supply program previously financed by the United States' Foreign Relief Program under Public Law 84, as funds under the latter became exhausted.

During the first quarter of 1948 approximately \$31,000,000 in food was ordered through U. S. Government procurement facilities of which \$21,500,000 worth was actually shipped to Greece with aid funds. These shipments included 88,000 long tons of wheat, 38,000 tons of flour, 7,000 tons of peas and beans and 1,000 tons of spaghetti and macaroni. In addition nearly \$4,000,000 worth of foodstuffs was financed with aid funds and procured through private aid channels. These amounts are in addition to the \$36,645,000 worth of foodstuffs previously shipped to Greece under Public Law 84. A full report of activity under this program has been made in the "Second Report to Congress on the United States Foreign Relief Program."

With improvements in the general security situation which are anticipated as a result of favorable military developments and the activation of National Defense Corps battalions to protect villages, it is hoped that many of the refugees can be returned to their homes or resettled in areas where they can contribute to, rather than be a strain upon, the country's economy.

AGRICULTURE

Recovery of Greek agriculture, which is by far the most important segment of the country's economy, has been hampered by continued guerrilla activity. Insecurity has made it difficult or impossible to continue agricultural pursuits in many sectors, and the number of refugees from agricultural areas has increased materially. However, the more productive areas fortunately have been less seriously affected than those which normally do not produce enough even for local consumption.

Displacement of substantial numbers of the farm population, the forced migration of livestock, and the loss of the use of pasture lands in mountainous regions, and other unfavorable developments have all had an adverse effect on the agricultural outlook for the current year. Yet the situation is not without its encouraging aspects. The Greek farmer has succeeded in plowing about 97 percent of last year's acreage and 85 percent of the prewar normal. If good weather conditions continue for the rest of the season it is estimated that the total production of bread grains will be about 700,000 metric tons, 10 percent above last year's production.

The efforts of the Mission to extend areas under cultivation and increase productivity have provided encouraging results. Work being carried on under agreements between the Ministry of Agriculture and the Mission in the fields of irrigation, drainage, well-drilling and soil conservation is progressing satisfactorily. Of the more than 100 irrigation and drainage projects, only five have had to be discontinued because of the security situation; all other projects are expected to be completed on schedule. This work is being carried on in the most productive agricultural regions. More than 100,000 acres of land in the northern part of Greece already have been materially benefited by drainage projects.

The well-drilling program is moving ahead rapidly. The Mission has been successful in placing drilling rigs in operation in various parts of the country, and the training of Greeks in the use of these rigs is underway. The program will leave the Greeks with both equipment and the technical skill to carry on the important work of developing water resources.

A number of agreements have been negotiated by the Mission with the Greek Government regarding the utilisation of drachma funds resulting from imports of agricultural implements and equipment financed with foreign exchange supplied under the aid program. These funds, the budget for which is given in Appendix_____, are being utilized for purposes which will make the greatest contribution to agricultural improvement. Farm machinery repair shops are being established, and shop personnel are being trained. The work which is being done includes the establishment of demonstration centers and the provision of training in this field as a means of increasing crop yields and productivity.

The Mission has assisted in planning the reorganization of the Veterinary and Livestock Divisions of the Greek Ministry of Agriculture. A livestock and veterinary program has been planned and an agreement entered into provides the basis for the control of animal disease. Dipping vats, rural clinics, two laboratories and quarantine station are being installed.

Expansion of the Greek fishing industry and establishment of the means for effective marketing and distribution of fishery products have been undertaken by the Mission. Experiments in refrigeration on the larger fishing vessels, conducted in collaboration with the fishing industry and the Greek Government, have been highly successful. Development of this innovation in Greek fishing will enable ships to stay out until fully laden, and permit the exploitation of waters heretofore unworked because of the distance from markets. As the development work in extending fishing proceeds, planning also is being done to establish refrigeration in marketing centers and for inland transportation, thereby enabling the Greek fishing industry to make a real contribution to the adequacy of food.

Reconstruction

Original plans of the American Mission for Aid to Greece contemplated the expenditure of about \$48 million for the reconstruction of transportation and communication facilities in Greece, for the supply of a limited amount of materials for housing, the restoration of key irrigation and reclamation works, and assistance in increasing industrial and mineral production. While the total needs for these purposes are far greater than could be provided for by aid funds, even as originally programmed, the amount earmarked was considered sufficient to meet the most pressing rehabilitation requirements for those projects which could be implemented during the course of the first year.

Because of increased requirements of the Greek Armed Forces and the necessity for importing larger quantities of food and consumer goods, the reconstruction program was of necessity scaled down to about one-half the original amount of dollars. The internal drachma costs are being financed by the proceeds from the sale of consumer goods shipped to Greece under the Aid Program. Table _____ of the appendix to this report shows the dollar and drachma amounts presently budgeted for reconstruction.

Work on transportation facilities is being carried out in Greece by American engineering-management firms under the direction of the Army Corps of Engineers. The firms subcontract with Greek organizations to the fullest practicable extent, using Greek non-technical labor altogether. There are at present 7,500 Greek laborers and other personnel employed on reconstruction projects, while American personnel employed by the Corps of Engineers and American firms number 530.

The transportation projects are to some extent geographically concentrated. With respect to railroads, the accompanying map reveals that in two instances, near Gravia and Edessa^h, a series of destroyed bridges and tunnels are located in close proximity. Major line breaks on the State-owned railway system near Gravia are all in a ten-mile sector. A third major area where bridge reconstruction is under way is west of Salonika, where there are several destroyed bridges within a 25 mile radius of Plati. The most advanced of the bridge projects is the Gorgopotamos Bridge, which is nearly half completed. The most advanced of the tunnel projects is the Brallo Tunnel, which is one-fifth complete.

In addition to those railway projects being constructed by American firms, the Corps of Engineers will supervise and furnish some materials and technical assistance for nineteen projects undertaken by the State-owned railway system. These projects include the construction of sixteen bridges, one tunnel, a new station, and security guardhouses at vital points. The work is proceeding rapidly, having been completed on many projects.

The highway program includes twelve major projects which ultimately will cover some 1,000 miles of trunk highways connecting the most important cities. In terms of mileage, the road program is now about 15% complete, in addition to which a great amount of preliminary work on other sections has been completed. A summary of road repair work to date, in miles, is given below:

Area	Scarifying and Patching	Surfacing, Leveling and Basecourse Work	Shoulders and Ditching
Athens	45	62	77
Salonika	63	51	40
Larissa	73	56	57
	<hr/>	<hr/>	<hr/>
Total	181	169	174

Considerable progress has been made in the restoration of the Ports of Piraeus and Salonika, and work at the Port of Volos has recently begun following extensive surveys and planning.

At Piraeus, 1,400 cubic meters of rubble have been removed from the drydock alone, and nearly 10,000 cubic meters have been excavated from quay areas. Virtually all of the debris, which heretofore has prevented the berthing of deep draft vessels and made shipping a costly operation, has now been cleared. Construction work is now proceeding rapidly.

At Salonika the removal of debris and the replacement of quay walls is well advanced, and 12,000 cubic meters of core rock has been placed in the breakwater to repair damages.

Clearance of the Corinth Canal is now about one-half completed, and will be finished by the end of June. The excavation involves some 900,000 cubic yards of earth blasted into the Canal by retreating Germans, and the removal of wreckage of destroyed bridges and rolling stock. Approaches for new permanent bridges across the Canal are being constructed, and bridge steel is being fabricated in the United States.

The Mission has found it necessary to undertake the improvement, or winterizing, of the runways at six Greek airports for use in military operations as well as by civilian aircraft. Two of these airport projects have been virtually completed, and three are about one-half completed.

In addition to those projects being carried out by American engineering firms, a considerable amount of reconstruction work is being supervised by the engineers of the American Mission in cooperation with various Greek Ministries under "project agreements" entered into by the Mission and the Greek Government. The projects are classified in table ____ of the appendix, with an indication as to the number of dollars and drachmas to be spent for each. Present plans contemplate the expenditure from Public Law 75 funds of \$2 million for housing and \$2,600,000 for industry and mining.

The \$2 million allotted for housing will be spent for building materials which are not available locally. Lumber valued at more than \$1,171,000 has been ordered from Canada and Sweden and partial deliveries have been made. \$200,000 worth of plumbing supplies and tools have been ordered from the United States, actual shipments amounting to about one-half of that amount. In addition, 80 billion drachmas derived from the sale of aid goods has been allotted to the housing program to cover internal costs of materials and labor. At present 8,700 persons are employed in housing construction. First priority is being given to the repair of existing buildings for the accommodation of refugees, although the bulk of the funds will be spent for the repair or construction of more permanent housing. Virtually all of the temporary housing for refugees and about 44% of the permanent construction program has been completed at the end of the quarter under review.

The present building program includes repairs to some 34 damaged schools, which will be equipped with about 25,000 benches. The lack of adequate school buildings has heretofore seriously retarded Greek education.

Some 3,800 million drachmas, derived from the proceeds of aid funds, have thus far been expended for the expansion of the water supply system in the Athens-Piraeus Area. Additional funds for this program will be raised through increased rates to consumers, and it is expected that the project will be completed in about 18 months. The Mission also has undertaken, in collaboration with the Greek Government, the installation and improvement of sewers in industrial sections of the Athens-Piraeus area.

The American Mission has set aside 615 million drachmas for the construction of ~~set~~ laboratories, an ammunition warehouse and other arsenal buildings, and a power sub-station sponsored by the Ministry of Merchant Marine to enable the proper handling of naval supplies. These various projects range in degree of completion from 10 to 50 percent.

The \$2,600,000 allotted under the reconstruction program for industry

and mining is being used in the development of natural resources and the industrial capacity of Greece. The funds are being expended for equipment, materials and supplies obtainable only from overseas sources. In addition the Mission has established a fund of 13 billion drachmas for loans to Greek industry to cover internal expenditures for these purposes. The drachma funds are derived from the sale of aid goods, and are deposited in the Greek National Mortgage Bank for secured loans as directed by a board composed of bank directors and Government Ministers with general guidance by the Mission. Additional drachmas received from industrialists in return for aid dollars used for imports by them under the industry program, as well as from the repayment of loans, will accrue to the special account for use in augmenting the loan facilities.

The Industry and Mining Division of the Mission has continued in various other ways to facilitate Greek production. Several studies of Greek mining potentialities are in progress, particular emphasis being given to the development of lignite as a substitute for imported fuel, pyrite, magnesite, manganese and gold. The Greek steel industry is being assisted in a program designed to expand production to 70,000 tons a year from locally available scrap. The Mission has assisted the Government in locating in Germany steel-making equipment needed for this production expansion, and negotiations are now being conducted for obtaining the equipment as German reparations.

TURKISH AID

As shipments of United States equipment under the Turkish Aid Program began to move in volume, the American Mission for Aid to Turkey reported considerable progress in assisting the Turkish Government to prepare effectively for use of the equipment.

With the assistance of the Army Group of the American Mission, training courses were accelerated for the Turkish ground forces in methods of depot supply and operation and methods of distribution. This is resulting in improved procedures and a wider acquaintance among the Turkish forces with the American supply methods, which is facilitating the handling of the cargoes upon their receipt in Turkey.

United States supply officers organized a general depot supply course to train Turkish Army personnel in receiving, storing, and accounting for aid supplies. Twenty-nine members of the Turkish ground forces are studying military installations in the United States. In addition, the Army Group cooperated with the Turkish Army in revising its military

school system and in revamping the technical and training manuals. March deliveries of ground force equipment include 98% of the equipment needed for the 1948 training program.

Plans for a medical instruction program prepared by the Mission Surgeon in cooperation with the medical inspector of the Turkish Army were completed near the end of the quarter and actual instruction is expected to begin soon. The medical courses to be given are designed to acquaint Turkish military surgeons with the latest practices and procedure of combat surgery. The Turkish government made available a modern building adjoining one of Ankara's leading hospitals for use as an instructional institution and necessary alterations were started immediately to permit the implementation of the medical program at the earliest possible date.

Air Force instruction courses advanced from the preparatory to the operational stage during the quarter. Instruction sites were selected and Turkish instructors were assigned, with American officers and enlisted men from the Air Force Group of the Mission serving in an advisory capacity. This instruction is now being conducted in seven different schools, and includes communications, field engineering, pilot training,

and maintenance. The deliveries of training planes in March facilitated the progress of this program. The Air Force Group is cooperating with the Army Group in the development of adequate port, depot, and distribution facilities.

The training of 70 Turkish naval officers and enlisted men in various United States naval service schools continued during the quarter. A few candidates had completed these courses by the end of the quarter and returned to Turkey to operate and maintain equipment being supplied under the Naval Program. At the quarter's end, 772 Turkish officers and enlisted men were approaching completion of their instruction in Norfolk and New London in preparation for the scheduled transfer of naval vessels which they will man. The underway phase of their training at the Atlantic Fleet Underway Training Units was completed.

The Navy Group of the American Mission continued conversations with Turkish Naval officers relative to the details of naval training courses, the location of naval schools, the content of courses, the number of students, and other factors essential to the development of an adequate naval training program.

The authorized and actual strength of the military and naval groups of the Mission, including civilian personnel, were as follows at the quarter's end:

	<u>Authorized</u>	<u>Actual</u>
Army Group	126	90
Air Force Group	100	64
Navy Group	40	29

The total of aid cargoes to be shipped by ocean transport under the Turkish Aid Program is estimated at 305,000 measurement tons. Of this total, roughly 10% had been shipped from United States ports of embarkation by the end of March. In addition to these deliveries, numerous aircraft have been flown in from the European Theatre. However, supply schedules provided for a rapid acceleration so that shipments from May through September are expected to average between 40,000 and 50,000 tons per month. This rate represents the maximum capacity of the receiving Turkish ports. Ninety per cent of the fiscal year 1948 program will have been delivered by the end of September. The shipment of certain items under the 1949 fiscal year program will begin in the summer months well before the completion of shipments under the first year's program.

The Public Roads Group of the Mission, which is led by engineers from the staff of the United States Public Roads Administration, continued to work in close cooperation with the Turkish Ministry of Public Works in the preparation of highway improvement plans and in the initiation of several projects. A number of Turkish nationals completed their training in the use of American road equipment and became available for the operation of machines on construction projects of high military priority.

The equipment operator training program was given added impetus during the latter part of the quarter when 54 Turkish Army personnel were assigned to the school for instruction in accordance with an agreement between the Turkish General Staff and the Ministry of Public Works. This close cooperation between the General Staff and the Ministry of Public Works on the utilization of a limited number of Turkish Army personnel in road construction work has virtually assured the training of an adequate number of operators for all of the road equipment on order under the present year's program.

Three military priority road construction projects were initiated during the quarter, one from Adana south towards the sea, one from Toprakkale to Fesipasa and one from Iskenderun north on the road to Erzurum. Additional construction and improvement projects on strategic highways will be begun as rapidly as receipt of equipment from the United States permits. Aid program funds for the highway improvement program are being used exclusively for the purchase of United States equipment and to cover salaries and expenses of the staff of American road experts, while all other costs including local labor and materials are being met by the Turkish Government. The importance attached to this road program by the Turkish Government is tangibly indicated by the increase in appropriations for roads in the current year's budget of more than 100 per cent of the amount appropriated for this purpose in past years. The total personnel of the Public-Roads group of the Mission amounted to 21 at the quarter's end.

March 3, 1947

BACKGROUND MEMORANDUM ON GREECE

The enemy occupational forces, as they withdrew from Greece in the autumn of 1944, left a country prostrate and demoralized in all aspects of its national life. It was deliberate German policy to destroy Greek economy and to encourage internal factionalism to such an extent that a liberated Greece would have slight prospects of normal recovery in the foreseeable future and would therefore become a liability rather than an asset to the Allies in whose cause it had suffered physical and moral devastation.

Although Greek cities had not been subjected to heavy bombing and although the withdrawing Germans did not blow up the Marathon dam (upon which Athens, swelled by perhaps 500,000 refugees, depended for its very existence), the damage inflicted on the country was sufficient to result in almost complete paralysis. Greece, which in normal times was unable to meet its food requirements without heavy imports, had been kept alive during the war by an Allied relief program (mainly U.S.) which had eventually reached 30,000 tons per month through the blockade, and the extremely tight shipping situation during many months following liberation meant that almost no imports could reach Greece except those essential commodities processed by UNRRA.

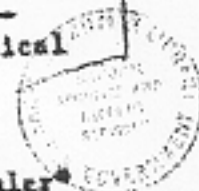
During the occupation of Greece many guerrilla groups were organized to harass the Germans. However, personal and political rivalries, of which the occupation authorities took full advantage, led to dissipation of much of their strength in fighting among themselves. The two groups which finally absorbed or destroyed the weaker guerrilla organizations were the Communist-dominated EAM (National Liberation Front) with its army known as ELAS and its smaller rightist rival EDES under the leadership of General Zervas. For a period of about twelve months (from late 1942 to late 1943) when harmony prevailed among the guerrillas, notable successes were achieved against the Germans, but their political differences could not be adjusted. EAM eventually was instrumental in setting up a Political Committee, or "Government of the Mountains", which negotiated with the Greek Government-in-Exile and succeeded in reaching an agreement, on the eve of liberation, whereby EAM had five ministers in the Government. At about the same time both EAM and EDES signed the "Caserta Agreement" placing themselves under orders of the Greek Government and General Wilson, Allied Commander of the Mediterranean Theatre. By a military decision of the Combined Chiefs of Staff, which was approved by the USSR, the British were assigned sole responsibility for military operations involved in the liberation of Greece. As a result, Allied occupation of Greece was a completely British operation, with the exception of approximately thirty U.S. officers attached to British land Forces in Greece for the purpose of assisting to administer the pre-UNRRA civilian relief program.

B File

When the liberation forces entered Greece they found less starvation and superficial devastation than had been expected. However, the results of occupation soon manifested themselves. The retreating Germans had completely destroyed all means of communications: port facilities were wrecked, roads had degenerated into series of potholes, telecommunications were almost non-existent, and 90 percent of the Greek merchant marine (which had totaled 2 million tons before the war) had been sunk. More than 1,000 villages had been burned. Eighty-five percent of the children were tubercular. Livestock, poultry, and draft animals had almost disappeared. In all of Greece, according to one early report, there remained only six locomotives and less than 100 freight cars. Railways had been systematically ripped up, and the Corinth Canal dynamited. The printing presses had been steadily at work, so that inflation mounted steadily until, when the drachma was eventually "stabilized", it was at the astronomical rate of 2 billion to one, thus wiping out all savings.

Irreconcilable differences between the EAM ministers and the other cabinet members soon came to a head over plans for disarming all "irregular" forces, and shots fired during the course of a demonstration on December 3, 1944, set off a civil war in which British troops came to the aid of the government, which, as the legally constituted Government of Greece, Britain was bound to defend. Before the peace terms stipulating EAM's disarmament and plebiscite and elections under Allied supervision within the year had been signed at Varkiza on February 12, 1945, the King had appointed Archbishop Damaskinos as Regent and officially stated that he would not return to Greece until called by a vote of the people.

U.S. interest in the reestablishment of political stability in Greece has been demonstrated by our participation during the past year in two Allied missions conceived in the spirit of the Yalta declaration—one to observe the general elections of March 31, 1946 (U.S.-U.K.-France, with USSR refusing the Greek invitation because it did not approve of "intervening in the internal affairs of another country") and one to observe the revision of Greek electoral lists prior to the plebiscite of September 1, 1946. The first Mission (AMFOGE I) reported that the elections were fair and free, and that they represented the will of the majority of the Greek people, in spite of the organized abatement of the Communist-dominated EAM. The second Mission (AMFOGE II), after having satisfied itself that the revised electoral lists were accurate enough to serve as a basis for consulting the Greek people on important national questions, remained in Greece at the insistence of the Greek Government for an informal observation of polling on the day of the plebiscite. Although there were unquestionably some irregularities and although the Greek Government reported to some unfair practices in order to influence results, it was felt that the outcome represented the will of the majority of the Greek people, though not to the extent that the official Greek figures indicated. Almost everyone connected with Greek affairs has the considered opinion that, in spite of the previous feelings of the Greek people, the excesses committed by EAM during the civil war of 1944-45 so revolted public opinion that the King's return would have been voted by varying majorities at any time after that date.



FILE

B

-3-

Both Allied Missions found that the presence of British troops had practically no effect on the outcome of the two national polls. Instead, the British troops have been a stabilizing influence, and their withdrawal at this time would probably result in such a lack of internal order that the Government could no longer remain master in its own house but would fall victim to an extreme left-wing dictatorship sponsored from outside the country and would probably be unable to prevent the loss of Macedonia, which could combine with Yugoslav Macedonia and the Pirin district of Bulgaria to become an "autonomous" state in a South Slav Union.

There can be no question that the steadily deteriorating economic conditions and worsening of internal order, although augmented by the unenlightened partisan behavior of the dominately Populist (Royalist) Government, are primarily the responsibility of the Communist-controlled Left movement in Greece. Armed band activities, directed and assisted from outside the country, are part of a master plan to separate Macedonia from Greece and to make untenable any Greek Government not subservient to Soviet aims. Because of its geographic position and the fact that it is the only Balkan country not dominated by the USSR, Greece is the last obstacle in the Soviet path to the Aegean and Eastern Mediterranean. U.S. representatives in Greece have become convinced that the increasing effrontery of Greece's northern neighbors and of EAM (which has assumed responsibility for the present guerrilla fighting by offering the Government a truce with the "democratic army" on EAM's own terms) is an indication of Soviet belief that Greece is a "ripe plum ready to fall into Soviet hands" within a few weeks through lack of support by the Western democracies. Since 1943 Moscow has made intensive efforts to destroy all factions in the Greek Government not amenable to Soviet influence and to establish a concealed form of Soviet power in that country. At no time since Greek liberation has the Soviet press and radio ceased its violent campaign of vilification and distortion, the purpose of which obviously has been to undermine confidence in British and U.S. intentions and actions regarding Greece, to confuse the realities of the Greek situation and to lead international public opinion to a point where, believing EAM to be the only true democrats and EAM opponents to be fascist without exception, it would insist on the removal of British troops and the transfer of power to EAM. In the opinion of veteran U.S. representatives EAM is not a "friend" or ally of the USSR; it is an instrument of Soviet policy.

Three times within the past year (twice by Soviet maneuvering) the Greek question has figured prominently in the United Nations. In January 1946, apparently to offset the Iranian case, the USSR presented to the Security Council the question of the presence of British troops in Greece. In August 1946 the Ukrainian SSR filed with the Security Council a complaint which, besides commenting unfavorably on the presence of British troops in Greece, accused the Greek Government of systematic frontier incidents and

propaganda against Albania in order to obtain Albanian territory and alleged Greek persecution of minorities in Macedonia, Thrace, and Epirus. A Soviet-sponsored resolution condemning Greece was rejected by a vote of 9 to 2. The U.S. resolution calling for investigation of both sides of Greece's northern frontiers failed to pass because of a Soviet veto.

Early in December the Greek Government filed a complaint with the Security Council which stated that a situation had been created which was "leading to friction between Greece and her neighbors" by reason of the fact that Albania, Yugoslavia and Bulgaria were "lending their support to the violent guerrilla warfare now being waged in Northern Greece against public order and the territorial integrity" of Greece. After some days of debate along predictable lines, the Council adopted a U.S. resolution establishing a Commission of Investigation to examine the facts in all four countries and to make any proposals deemed wise for averting a repetition of border violations and disturbances in those areas. The Commission has been in Greece since the end of January and, in spite of Soviet stalling tactics and the obvious Soviet desire to remain in Athens in order to prove the contention that the Greek Government is solely responsible for disturbed conditions in Greece, is now holding hearings in Salonika preparatory to proceeding to the border areas. Although the Communist-directed guerrilla bands in Greece will continue their activities in order to lend color to the claim of EAM, the USSR, and Soviet-dominated satellites that present lawlessness is a spontaneous revolt of the "democratic people" against a "monarcho-fascist" government, the presence of the Commission should discourage assistance to the armed bands from across the borders, and it appears to be the opinion of the majority of the Commission that the investigation should result in the establishment of a semi-permanent frontier commission with police powers.

The economic and financial situation of Greece, bad enough at any time since liberation, has now become critical with the cessation of UNRRA. Greece's import-export trade had barely made a start before the present internal political conditions and the relations with her northern neighbors reached a virtual crisis. The continued political unrest and physical disorganization of the country have proved seriously obstructive to the revival of economic activity. Ineffectual and timorous governments have been either unwilling or unable, in the absence of internal tranquillity and whole-hearted cooperation of political leaders or the majority of the Greek people, to institute the unpleasantly drastic reforms which both the U.S. and the U.K. have counseled. The drachma has twice been stabilized, but the most recent experiment of March 1946 holds little promise of permanence. In an attempt to inspire confidence in the currency the Greek Government has embarked on a disastrous program of across-the-counter sales of gold; this, combined with reckless and unsystematic licensing of foreign exchange transactions, has resulted in an almost complete exhaustion of Greece's foreign exchange resources. Inefficiency and mismanagement have up to now prevented the country from receiving maximum benefit from U.S. credits already extended to Greece: \$25 million from the Export-Import Bank;

10
11
12

-5-

\$55 million for the purchase of foreign surplus property; and approximately \$45 million for the purchase of ships from the Maritime Commission. This whole background of economic and financial chaos, coupled with the close of the UNRRA program, occasioned urgent but vague and exaggerated appeals from the Greek Government to the U.S. for financial assistance. As a result of discussions in Paris between Secretary Byrnes and Prime Minister Tsaldaris, the Government despatched to Greece early in January an Economic Mission headed by Paul A. Porter to recommend to the Greek Government means for the more effective utilization of its own resources as well as to report on the kind and amount of outside assistance needed to reconstruct Greek economy. Reports from Ambassador Porter have confirmed the opinion of other observers that Greece is on the verge of runaway inflation and financial collapse.

Coincidental with alarming U.S. reports from Greece and as a result of highest level considerations in the British Government concerning British capabilities with regard to Greece and Turkey, two notes dated February 21 were presented to the Department by the British Ambassador on February 24. These notes pointed out the grave consequences which would ensue if Greece and Turkey were to fall under Soviet domination and hoped that in view of the British inability to continue financial assistance to these two countries, the U.S. would be willing to take over the major responsibility for the military and civilian needs which must be financed from abroad.

one Greek
"Turkey"

B File

July 2, 1948

426
Truman Library

Dear Governor:

Thank you very much for your note of June 29th with its enclosure from Mr. James Demos Kakridas of Boston. It was good of you to send this along and I wish you would express to Mr. Kakridas our appreciation of his thoughtfulness in letting us have his suggestions. I will, of course, be glad to bring them to the President's attention at the first opportunity.

*206-11111

I am hoping to get to Philadelphia and if I do, shall hope to see you.

*Matthew J. Connelly
T

RB/aje

Sincerely yours,

MATTHEW J. CONNELLY
Secretary to the President

Honorable Maurice J. Tobin
30 Hopkins Road
Jamaica Plain, Massachusetts

✓

B File

Maurice J. Tobin
30 HOPKINS ROAD
JAMAICA PLAIN, MASSACHUSETTS

June 29, 1948

Mr. Mathew Connolly
Secretary to the President
White House
Washington, D.C.

Dear Matt:

About a week ago I had a very interesting conversation with James Demos Kakridas, a very able Greek radio announcer who covers several radio stations in eastern Massachusetts. *4/36-muse*

He is very grateful to the president for the program he has attempted to start for the re-habilitation of Greece. He is very much disturbed over the propaganda many wealthy and prominent Greek Citizens are spreading to the detriment of the president and the administration.

I suggested to him that he set down as briefly as possible, the situation in this country as it applied to the president in Greek American Circles. I believe that his suggestion of two representatives of the president, one a Greek American free of political entanglements and the other an American of some other nationality, would help clear up the situation in the minds of Greek Americans and the other American people as well.

I am also sending a copy of Kakridas letter to Howard McGrath.

Hoping to see you in Philadelphia, I am

Sincerely,

Maurice

Maurice J. Tobin

RT-File

JAMES KAKRIDAS

468 BROOKLINE AVENUE
BOSTON, MASSACHUSETTS

June 25, 1948

Hon. Maurice J. Tobin
Boston, Massachusetts

Dear Mr. Tobin;

Having knowledge of your interest in the common good for the community, the state, the nation, and foreign nations, I have deemed it advisable, proper and necessary that I write to you concerning a very important matter having to do with justice to Greece and American aid to that country.

There are many points which I want to bring to your attention concerning the American aid program to Greece;

Firstly, for ten years Greece has been embattled in a Civil War. Brothers killing brothers and women and children slaughtered by the thousands.

Secondly, the American aid to Greece reaches the hands of black-marketeers and international racketeers of a political nature, and consequently very little money actually reaches the destitute peoples of Greece as is indicated by the latest scandal concerning the purchases of rice for the Greek people amounting to millions of dollars and which rice was contaminated. Things of this nature tend to show an attempt to feed the Greek people with foods not fit for human consumption. We wonder whether or not this has been intentionally done.

Thirdly, this sort of treatment towards the Greek people becomes propaganda fodder against the President of the United States.

Fourthly, certain Americans of Greek extraction, who are very powerful in business and with the present government in Greece, have allied themselves into an association and also have taken upon themselves to seize the leadership of all Greek American fraternities, churches and all other such organizations for the purpose of selling the Greek-Am-

B File

erican people to the Republican party for their own selfish gain and benefits and to work against President Truman by blaming him and his Administration for what is going on in Greece to-day.

Fifthly, these same Americans of Greek extraction have conspired to spread and are spreading cheap and unfair propaganda against the President of the United States. They accuse him of merely using words and crocodile tears towards the Greek cause but that no action for that nation has come forth from his administration. They go so far as to make false statements in the meetings of the Greek American fraternities, which are strictly non-political organizations, to the effect that if the Republicans are voted into office the Civil War in Greece will end and that its people will be greatly aided.

Because of the foregoing points which I brought to your attention, I take the liberty to make the following suggestions to you.

Firstly, a special mission consisting of one Greek-American, known by the Greek people and having no political connections, and one American should be sent to Greece representing the Government and President of the United States for the purpose of investigating conditions in Greece and then to make a report to the President of the United States, and to publicise the facts as found by the report of the special mission to be the truth about Greece.

Secondly, this mission must place the blame for conditions in Greece where they belong, and then the United States Government should take immediate steps to remedy the situation.

Thirdly, the Greek-American who will have been sent to Greece, once back, will be sent on a tour of the United States to enlighten the Greek-American people of the aid given and the work done by the Truman Administration to Greece and the Greek people. The enlightenment may also come from the radio and newspaper articles which will appear all over the entire United States.

The above suggestions will undoubtedly be a means for the enlightenment of the Greek people in America as to the truth about the Greek question and will tend to keep them within the Democratic fold and will enthuse them to worthy work towards the re-election of Pres. Truman.

I write to you in the hope that I have thrown some light on the Greek question and that my suggestions will be of some benefit to the Democratic party all over the U. S.

B File

Very truly yours,

James Demos Kakridas

426

THE WHITE HOUSE
WASHINGTON

January 27, 1948

Filed
2-2-48

Greece & Turkey

MEMORANDUM FOR MR. JOHN MILES:

I am returning to you, attached, the manuscript of the Second Quarterly Report to the Congress on Greek-Turkey Aid, and the President's letter of transmittal.

This has been checked and some changes and deletions made. These have been cleared here and also with Mr. Lovett. The Report still needs some editing and the insertion of figures in various places where there are now blanks.

There is also the release to be attached when the date of transmittal is determined, which cannot be set at this time.

As I think you understand, when the Report and letter have been printed, a half-dozen copies without the facsimile signature of the President should be sent here for the President to sign before transmitting them to the House and Senate.

X 101-10

EBEN A. AYERS

x20
x206
x86
x419
x419-7

B File

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.



DEPARTMENT OF STATE
WASHINGTON

426
Greece & Turkey

Filed
2-17-48

February 13, 1948

MEMORANDUM FOR MR. AYERS

Pursuant to our telephone conversation I am sending you herewith eleven copies of the Second Report to Congress on Assistance to Greece and Turkey. The President's signature has been omitted at the end of his letter of transmittal so that he may sign these particular copies for transmission to the Congress. The letter has been dated February 16.

Additional copies with the confidential sticker will be delivered to the White House by the Government Printing Office.

Enclosure:
11 copies of report.

E. Wilder Spaulding
E. Wilder Spaulding
Chief
Division of Publications

x419
x20

B File

C
O
P
Y

Letter of Transmittal

To the Congress of the United States

Transmitted herewith in accordance with the provisions of Public Law 75 (80th Congress, 1st session, 61 Stat. 103) is the fourth quarterly report of expenditures and activities in conjunction with the program for Aid to Greece and Turkey.

This legislation was enacted at a critical juncture in the history of the struggle for peace, involving the right of small nations to self-determination of their future. The conspicuous success of this program in enabling the people of Greece to meet the military and economic crisis which confronted them, and in supporting the Turkish determination to remain independent in the face of external pressure, has contributed significantly toward stabilizing this strategic area of the world in the interest of world peace.

B File

DEPARTMENT OF STATE

THE UNDER SECRETARY

August 26, 1948

Mr. William J. Hopkins
Executive Clerk
The White House

Dear Mr. Hopkins:

Attached is the letter proposed for the President's transmittal to Congress of the Fourth Quarterly Report on Greek-Turkey Aid. This letter has been cleared by Mr. Lovett.

It will take approximately two weeks more before the report is printed and ready for release. We will check with Mr. Ayer's office prior to this time to arrange for signature and release date.

John Wills

*WJH-
This has been cleared
with Mr. Ross & seems
OK for any time you
want to start
transmitting it.
E. A. [signature]*

B File

August 31, 1948

MEMORANDUM FOR MR. JOHN MILES,

OFFICE OF THE UNDER SECRETARY,
DEPARTMENT OF STATE.

Referring to your letter of August twenty-sixth, I am returning to you herewith, approved, the draft of the President's letter of transmittal to Congress of the Fourth Quarterly Report on Greek-Turkey Aid.

Will you please phone me when you are ready to discuss the matter of a proposed release date.

WILLIAM J. HOPKINS
Executive Clerk

elb

Copy of draft letter retained in file.

B File

712/7/10

7200
Greece & Turkey

TO THE CONGRESS OF THE UNITED STATES:

x419

Transmitted herewith is the fifth quarterly report (covering the first quarter of the fiscal year 1949) on United States military assistance to Greece and Turkey. Military aid to Greece and Turkey was inaugurated under the authority of Public Law 75, 80th Congress, and was continued under the authority of Title III of Public Law 472, 80th Congress, known as the Greek-Turkish Assistance Act of 1948. Responsibility for United States assistance in the economic rehabilitation of Greece begun under Public Law 75 was, pursuant to Public Law 472, Title I, transferred effective July 1, 1948, to the Economic Cooperation Administration, and results are reported to the Congress under that title.

x206
x86

The encouraging prospect for substantial elimination of the Greek guerrilla forces which existed at the time of the victory of the Greek National Army in the Grammos Mountains and which was referred to in the report for the period ending June 30, 1948, has unfortunately not materialized. A military stalemate has ensued which has prolonged the struggle. The United States is, of course, through the American Mission for Aid to Greece, continuing to deliver to the Greeks necessary military supplies and equipment and to advise and assist the Greek armed forces, in accordance with the Assistance Act.

x426-L

x206-E

x426

HARRY S. TRUMAN

THE WHITE HOUSE,

December 6, 1948.

B File

5731

74/22/49.

December 3, 1948

MEMORANDUM FOR MR. McGEHEE,

Attention: Mr. Kenneth Perry.

Referring to your letter of December first, the President has approved the draft of the letter transmitting to the Congress the Fifth Report on Assistance to Greece and Turkey for the period ended September 30, 1948. The draft, bearing the President's approval and the copy of the report, are returned to you herewith.

No doubt Mr. Perry will wish to phone me relative to the transmittal date and any other details which he wishes to discuss.

WILLIAM J. HOPKINS
Executive Clerk

elb

Return of draft ltr re above, approved by the President, and the report.

x 419
x 419-F
x 426

x 206
x 86

426
Greece & Turkey

B File

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.



In reply refer to
U/GT

DEPARTMENT OF STATE
WASHINGTON

December 1, 1948

My dear Mr. Hopkins:

There is enclosed herewith one copy of the Fifth Report to Congress on Assistance to Greece and Turkey for the period ended September 30, 1948, together with draft letter of transmittal by the President to the Congress.

In view of the fact that the situation in Greece changes so rapidly, it is believed desirable that this report be transmitted as soon as possible and be released in mimeographed form to the Press, with the full printed report to be released at a later date.

Sincerely yours,

G... C. McGhee

George C. McGhee
Coordinator for Aid
to Greece and Turkey

Enclosure:

Report.

x20

Mr. William J. Hopkins,
Executive Officer,
The White House.

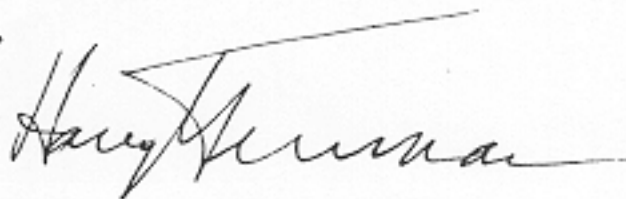
R File

THE PRESIDENT'S LETTER OF TRANSMITTAL

TO THE CONGRESS OF THE UNITED STATES:

Transmitted herewith is the fifth quarterly report (covering the first quarter of the fiscal year 1949) on United States military assistance to Greece and Turkey. Military aid to Greece and Turkey was inaugurated under the authority of Public Law 75, 80th Congress, and was continued under the authority of Title III of Public Law 472, 80th Congress, known as the Greek-Turkish Assistance Act of 1948. Responsibility for United States assistance in the economic rehabilitation of Greece begun under Public Law 75 was, pursuant to Public Law 472, Title I, transferred effective July 1, 1948, to the Economic Cooperation Administration, and results are reported to the Congress under that title.

The encouraging prospect for substantial elimination of the Greek guerrilla forces which existed at the time of the victory of the Greek National Army in the Grammos Mountains and which was referred to in the report for the period ending June 30, 1948, has unfortunately not materialized. A military stalemate has ensued which has prolonged the struggle. The United States is, of course, through the American Mission for Aid to Greece, continuing to deliver to the Greeks necessary military supplies and equipment and to advise and assist the Greek armed forces, in accordance with the Assistance Act.



THE WHITE HOUSE

B File

426

Greece & Turkey

February 19, 1948

Dear Sonny:

I am enclosing a memorandum which has been furnished me in connection with the problem presented by Mr. Pappas. As you may note from the memorandum, it does not appear that there is much hope for favorable action on his application for an export license.

x With every good wish,

MJC/aje

Sincerely yours,

MATTHEW J. CONNELLY
Secretary to the President

Honorable Patrick J. McDonough
Council Chamber
State House
Boston, Massachusetts

x

no memo in file in which we
asked any one to prepare draft of reply.
EB

B File

February 18, 1948

MEMORANDUM FOR MR. CONNELLY:

x3-P

The problem presented by Mr. Pappas has been discussed with the Office of International Trade, Department of Commerce, and the situation is as follows:

The allocation of wheat and wheat flour covered by the applications submitted by Mr. Pappas, is made on the basis of the overall supply available for export and the amount that should be channeled to Greece. Therefore, there is no allocation outside the quota since that would have a serious impact either on U. S. availability or on the proper channeling to foreign countries.

The total allocation for wheat and wheat flour for Greece is not out of the Interim Aid Funds and procured by the Department of Agriculture directly from the mills. The result is to assure bulk and prompt shipment to Greece at prices much lower than could be obtained otherwise or offered by Mr. Pappas. But this means not only does Greece get the wheat that is allocated to that country in accordance with the considerations outlined above, but the money appropriated under the Interim Aid Program is more efficiently utilized and Greek holdings of dollars are available for other urgent needs. Mr. Pappas offers to sell at about 8 cents as against U. S. purchase of about 6.4 cents.

Also, the Greek government has indicated a direct control of all purchases of wheat and wheat flour. Mr. Pappas could only sell the wheat to a private Greek employer who would have to get permission from the Greek government and through it from the Grissold Mission, to use these dollars to import wheat. At the present time no import permits are granted for this purpose because Greek dollars are needed for more urgent uses when account is taken of the wheat made available under the Interim Aid Program.

It seems, therefore, impossible at this time for Mr. Pappas to receive favorable consideration on his applications.

x307-A
x206-M
x275-A

B File

United States of America
DEPARTMENT OF COMMERCE
OFFICE OF INTERNATIONAL TRADE
REQUIREMENTS AND SUPPLY BRANCH

IT Case No. (License number when validated):

Budget Bureau No. 41-11241

APPLICATION FOR EXPORT LICENSE AND PRIORITY ASSISTANCE FOR ARTICLES AND MATERIALS
(Other Than Arms, Ammunition, and Implements of War, Template Scrap, and Helium)

License is hereby granted to the applicant named herein to export from the United States to the purchaser and consignee in the destination stated herein the articles and materials described, in the quantity given, for a consideration not in excess of that permissible by the Revised Maximum Export Price Regulation, as amended, issued by the Office of Price Administration. If the consideration is in excess of such maximum price, the issuance of this license shall not be construed as an approval of such price nor as relieving the applicant of liability for any violation of such Price Regulations. THIS LICENSE IS EXPRESSLY SUBJECT TO ALL RULES AND REGULATIONS ISSUED

BY THE OFFICE OF INTERNATIONAL TRADE. Unless otherwise stated, it is valid for a period of ONE YEAR from the date of issuance. It is not transferable without official authority and is subject to revocation without notice.
IMPORTANT.—Applicant's signature required on DUPLICATE and QUADRUPLICATE when filed. See INSTRUCTIONS for filing in this form on the reverse side of TRIPLICATE. If there is insufficient space for fully answering any question, supplemental typewritten sheets should be attached to EACH copy of the application.

TO BE FILLED IN BY APPLICANT

1. Send license to (type or print plainly):		2. Date of application	3. Country of ultimate destination
NAME <u>C. PAPPAS COMPANY, INC.</u>		<u>1/12/48</u>	<u>Greece</u>
STREET <u>540 E Street</u>		4. (a) Applicant's Reference No.: <u>\$153—FLOUR</u>	
CITY AND STATE <u>Boston 10, Mass.</u>		(b) Last previous IT or FEA Case No. (if any):	

5. APPLICANT:

(a) Name <u>C. PAPPAS COMPANY, INC.</u>	(b) Consignor in United States (if same as applicant or affiliate thereof, state "same"):
Address <u>540 E St., Boston 10, Mass.</u>	Name
Citizenship <u>U.S. CORP.</u>	Address <u>Same</u>

7. Give name and address (Street, City, State) of the following concerned with this shipment:

(a) Purchaser in foreign country:	(b) Consignee in foreign country (if same as purchaser, state "same"):
Name <u>Ministry of Supplies</u>	Name
Address <u>Athens, Greece</u>	Address <u>Same</u>

8. If the applicant in 6 (a) is exporting for other than own account, explain fully:

9. (a) Item No.	(b) Quantity to be shipped (see instruction B5)	(c) Description of commodities in sufficient detail to permit accurate identification; include applicant's purchase order description in full; also show Schedule B number and processing code	(d) Total selling price and point of delivery; also unit value, if possible (see instruction B5)	
			Unit value	Total price
	<u>15,422,000 POUNDS</u> <u>(7000 METRIC TONS)</u>	<u>WHEAT FLOUR</u> <u>SCHEDULE B NO. 107300</u> <u>PROCESSING CODE NO. FOOD 3</u>	<u>\$174.00</u> <u>METRIC TON CIF</u> <u>ATHENS</u>	

10. Describe fully the ultimate use of the item(s) to be exported. (Include what will be produced or manufactured, or what service will be rendered with the item(s) requested as described herein; also include a statement of the type of business in which items are to be used. State if for purchaser's own use or for resale.)

TO BE USED FOR HUMAN CONSUMPTION

11. If the applicant is not the manufacturer, or affiliate thereof, of the commodity to be exported, state that item(s) will be (1) shipped from own stock ☐, or (2) secured from (Name) TEX-CO FLOUR MILLS, DALLAS, TEXAS (Address) who is a producer ☒; wholesaler/distributor ☐; retailer ☐; other (specify) _____

12. Answer either (a) or (b):

(a) If the applicant has filed statement of export prices with OPA for commodities listed in 9, indicate date such prices were filed:

(b) To show conformity with the Revised Maximum Price Regulations, state with regard to each article or material (per unit when possible):

(i) Basic domestic price, \$ _____ Delivery point: _____
Check applicable basic domestic price used: ☐ Maximum price applicable to current sale to export seller by his supplier, ☐ Maximum price applicable to domestic sale by export seller; (ii) Premium (if any) \$ _____
(iii) If premium or price is affected by terms of payment, state terms.

13. To the best of your knowledge will any person receive any consideration in addition to that shown in 9 (d) above

Yes ☐ No ☐ If "Yes," explain.

FOR OFFICIAL USE ONLY

B File

PHONE LIBERTY 4210

CABLE ADDRESS: PAPPASFLOR, BOSTON

C. PAPPAS COMPANY, INC.

Importers

540 E STREET

BOSTON 10, MASSACHUSETTS

January 14, 1948

Honorable Patrick J. McDonough
Council Chamber
State House
Boston, Massachusetts

Dear Sonny:

I am enclosing herewith a duplicate copy of our applications, Nos. 153 and 154, for export licenses, which are self-explanatory. I understand that you are planning to go to Washington, and I would appreciate it very much if you will see if it is possible to obtain these export licenses in addition to the allocation which Greece has already obtained.

I have received many cable advices from Greece stating that the only way Greece could be helped for immediate relief is by sending as much wheat and flour as is humanly possible. They have asked me to endeavor to help out in this situation and it is needless for me to tell you that above everything else, I feel whatever immediate help can be given to Greece should be given now.

I realize that the American government is doing everything possible to help Greece through government channels, but some times the process is a little slow. If we can aid by arranging immediate shipments, I am sure it would alleviate the present pressure in Greece in many ways.

I do not want to infer in any way by this letter that the American Mission is not doing its job, but, because of the desperate situation which the Greek nation finds itself I am sure that everything we can do will help very much.

I want you to know that these applications must be extra allocations for Greece; they must be in addition to what the Greek Government has already received.

Please look into the matter and ascertain if there is any kind of an allocation at the present time that would take care of our applications. If there is and we can obtain it, we can make shipment immediately.

I know that this is a difficult proposition to accomplish, but I am doing it only because I am anxious to help the Greek people who have suffered so much.

Our original contracts have already been mailed direct to the Department of Commerce, Office of International Trade, Requirements and Supply Branch, Washington, D.C., and I am enclosing duplicates for your information.

I shall appreciate your kind efforts in connection with the above.

B File

Yours very sincerely,

Thomas A. Pappas

APPLICATION FOR EXPORT LICENSE AND PRIORITY ASSISTANCE FOR ARTICLES AND MATERIALS
(Other Than Arms, Ammunition, and Implements of War, Template Scrap, and Helium)

License is hereby granted to the applicant named herein to export from the United States to the purchaser and consignee in the destination stated herein the articles and materials described, in the quantity given, for a consideration not in excess of that permitted by the Revised Maximum Export Price Regulation, as amended, issued by the Office of Price Administration. If the consideration is in excess of such maximum price, the issuance of this license shall not be construed as an approval of such price nor as relieving the applicant of liability for any violation of such Price Regulations. THIS LICENSE IS EXPRESSLY SUBJECT TO ALL RULES AND REGULATIONS ISSUED

BY THE OFFICE OF INTERNATIONAL TRADE. Unless otherwise stated, it is valid for a period of ONE YEAR from the date of issuance. It is not transferable without official authority and is subject to revocation without notice.
IMPORTANT.—Applicant's signature required on DUPLICATE and QUADRUPLICATE when filed. See INSTRUCTIONS for filing in this form on the reverse side of TRIPLICATE. If there is insufficient space for fully answering any question, supplemental typewritten sheets should be attached to EACH copy of the application.

TO BE FILLED IN BY APPLICANT

1. Send license to (type or print plainly):		2. Date of application 1/12/48	3. Country of ultimate destination GREECE
NAME C. PAPPAS COMPANY, INC.		4. (a) Applicant's Reference No.: #154 - Wheat	5. Number of Import License
STREET 540 E Street		(b) Last previous IT or FEA Case No. (if any):	
CITY AND STATE Boston 10, Mass.			

6. APPLICANT:

(a) Name C. PAPPAS COMPANY, INC.	(b) Consignor in United States (if same as applicant or affiliate thereof, state "same"):
Address 540 E St., Boston 10, Mass.	Name
Citizenship U.S. CORP.	Address Same

7. Give name and address (Street, City, State) of the following concerned with this shipment:

(a) Purchaser in foreign country:	(b) Consignee in foreign country (if same as purchaser, state "same"):
Name Ministry of Supplies	Name
Address Athens, Greece	Address Same

8. If the applicant in 6 (a) is exporting for other than own account, explain fully:

9. (a) Item No.	(b) Quantity to be shipped (see instruction B5)	(c) Description of commodities in sufficient detail to permit accurate identification; include applicant's purchase order description in full; also show Schedule B number and processing code	(d) Total selling price and point of delivery; also unit value, if possible (see instruction B5)	
			Unit value	Total price
	50,692,000 POUNDS (23,000 METRIC TONS)	WHEAT (BULK) SCHEDULE B. NO. 107100 PROCESSING CODE: FOOD 2	\$144.50 METRIC TON CIF ATHENS	

10. Describe fully the ultimate use of the item(s) to be exported. (Include what will be produced or manufactured or what service will be rendered with the item(s) requested as described herein; also include a statement of the type of business in which items are to be used. State if for purchaser's own use or for resale.)

FOR HUMAN CONSUMPTION

11. If the applicant is not the manufacturer, or affiliate thereof, of the commodities to be exported, state that item(s) will be (1) shipped from own stock ☐ or (2) secured from (Name) Continental Grain Co., NYC., International Milling Co., NYC (Address) who is a producer ☒ wholesaler/distributor ☐ retailer ☐ other (specify)

12. Answer either (a) or (b):

(a) If the applicant has filed statement of export prices with OPA for commodities listed in 9, indicate date such prices were filed:	FOR OFFICIAL USE ONLY
(b) To show conformity with the Revised Maximum Price Regulations, state with regard to each article or material (per unit when possible): (i) Basic domestic price, \$ Check applicable basic domestic price used: <input type="checkbox"/> Maximum price applicable to current sale to export seller by his supplier, <input type="checkbox"/> Maximum price applicable to domestic sale by export seller; (ii) Premium (if any) \$ (iii) If premium or price is affected by terms of payment, state terms.	

13. To the best of your knowledge will any person receive any consideration in addition to that shown in 9 (d) above

Yes ☐ No ☐ If "Yes," explain.

B File

DEPARTMENT OF COMMERCE
OFFICE OF INTERNATIONAL TRADE
WASHINGTON 25, D. C.

IN REPLY REFER TO:

February 17, 1948

Mr. Robert C. Turner
Office of the Assistant to the President
White House
Washington, D. C.

Dear Mr. Turner:

Attached is your material regarding the shipment of wheat and wheat flour to Greece by C. Pappas Company, Inc.

As I told you over the phone, ^{submitted by Mr. Pappas,} the allocation of wheat and wheat flour covered by the applications is made on the basis of the overall supply available for export and the amount that should be channeled to Greece. Therefore, there is no allocation outside the quota since that would have a serious impact either on U. S. availability or on the proper channeling to foreign countries.

^{let grain}
~~It is my understanding that~~ The total allocation for wheat and wheat flour for Greece is met out of the Interim Aid Funds and procured by the Department of Agriculture directly from the mills. The result is to assure bulk and prompt shipment to Greece at prices much lower than could be obtained otherwise or offered by Mr. Pappas. But this means not only does Greece get the wheat that is allocated to ~~them~~ ^{that country} ~~on the~~ ^{the} basis of the considerations outlined above, but the money appropriated under the Interim Aid Program is more efficiently utilized and Greek holdings of dollars are available for other urgent needs. Mr. Pappas offers to sell at about 8 cents as against U. S. purchase of about 6.4 cents.

^{accord with}
~~Mr. Pappas should also be informed that~~ ^{also, the} the Greek government has indicated a control of all purchases of wheat and wheat flour. ~~It~~ ^{he} could only sell the wheat to a private Greek employer who would have to get permission from the Greek government, and through it from the Griswold Mission, to use these dollars to import wheat. At the present time, no import permits are granted for this purpose because Greek dollars are needed for more urgent uses when account is taken of the wheat made available under the Interim Aid Program.

Sincerely yours,
Lawrence Kegan
Lawrence Kegan
Assistant to the
Assistant Director

B File

July 3, 1948

426
Spencer

Dear Mr. Nicolaides:

The President has received your letter and wire of July 2nd.

I am sorry to send you a disappointing reply concerning your request that you, Mrs. Nicolaides and the officers of the Marpathian Educational Progressive Association of America, see the President next week. I know you will understand, however, when I explain that he is unusually pressed for time just now. Moreover, the summer months promise to be very busy ones for him, and I am afraid it will be quite some time before he can make any additions to his calendar.

With all best wishes,

Very sincerely yours,

MATTHEW J. CONNELLY
Secretary to the President.

Mr. N. E. Nicolaides,
Lord Baltimore Hotel,
Baltimore, Maryland.

rlk

B-File

The People's Choice
Washington

TWH.WB48 PD

JUL 2 4 16 PM 1948

U BALTIMORE MD JUL 2 302P

THE PRESIDENT

THE WHITE HOUSE

CONFIRMING LETTER FROM WASHINGTON SUPREME LODGE OFFICERS
DESIRE PERSONALLY PAY RESPECTS AND EXPRESS LOYALTY TO YOU.
RESPECTFULLY REQUEST APPOINTMENT NEXT WEEK

N E NICOLAIDES LORD BALTIMORE HOTEL..



B File



ALAN CARLETON, MGR.

METROPOLITAN 0500

THE BELLEVUE HOTEL

WASHINGTON 1, D. C.

July 2, 1948.

Mr. Harry S. Truman
President of the United States,
Washington, D. C.

My dear Mr. President:

As delegate on my way to the
21st annual Convention of the
Karpathian Educational Progressive
Association of America, (Roumanese)
at Lord Baltimore Hotel,
Baltimore, Md. opening to-morrow,
accompanied by my true blue
Truman Partisan wife, we most
respectfully greet you, Mr. President
and express to you our profound

B-File

ALAN CARLETON, MGR.

THE BELLEVUE HOTEL



METROPOLITAN 0900

WASHINGTON 1, D. C.

-2-
personal and deepest thanks for
having come to the aid of Greece
and thus have kept Democracy
for the Greek People and individual
freedom.

As our Florida Senators are out
of the City to do this for us, we
most respectfully request, Mr.
President the honor of granting
us the privilege of seeing you
next week for two or three minutes
at your convenience, my wife
and myself and the Supreme
Lodge Officers of the above
mentioned Association.

B File

THE BELLEVUE HOTEL



WASHINGTON 1. D. C.

-3-

Please be assured Mr. President,
of our heartfelt regards and in
trust to be favored with a
wire, by to-morrow evening
so that it can be read at the
Banquet, and setting forth the
time and day we can come.

Please, Sir, do not disappoint
this great Lodge and your own
true friends and adherents.

Most respectfully
D.E. Nicolaides

Governor of Ahepa attorney at Law -

Counsellor of G.A.P.H. MIAMI CHAPTER
Director
Greek American
Political Club of Fla.

B

ALAN CARLETON. MGR.

METROPOLITAN 9900

THE BELLEVUE HOTEL



WASHINGTON 1. D. C.

We shall be most grateful
for your wire to me
at the Lord Baltimore Hotel,
Baltimore, Md.

Respectfully,
N. E. Threlkeld

THE WHITE HOUSE
WASHINGTON

July 3, 1948

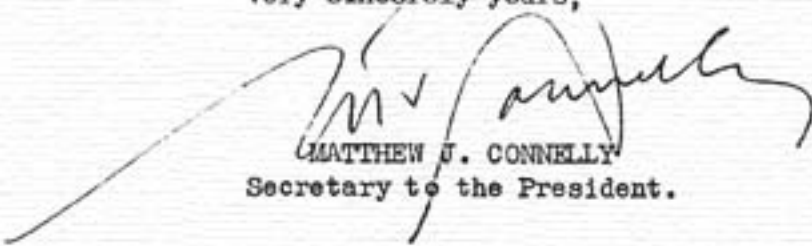
Dear Mr. Nicolaides:

The President has received your letter and wire of July 2nd.

I am sorry to send you a disappointing reply concerning your request that you, Mrs. Nicolaides and the officers of the Karpathian Educational Progressive Association of America, see the President next week. I know you will understand, however, when I explain that he is unusually pressed for time just now. Moreover, the summer months promise to be very busy ones for him, and I am afraid it will be quite some time before he can make any additions to his calendar.

With all best wishes,

Very sincerely yours,



MATTHEW J. CONNELLY
Secretary to the President.

Mr. N. E. Nicolaides,
Lord Baltimore Hotel,
Baltimore, Maryland.

426
Greece & Turkey

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

The following Fifth Report to Congress on Assistance to Greece and Turkey MUST BE HELD IN STRICT CONFIDENCE and no portion, synopsis, or intimation may be published, broadcast or given out in any manner until this report is filed with the Secretary of the Senate or Clerk of the House of Representatives. This probably will be on Monday, December 6, 1948.

CHARLES G. ROSS

Secretary to the President

7
12-10-48

B File

HARRY S. TRUMAN LIBRARY
Papers of
HARRY S. TRUMAN
OFFICIAL FILE

FIFTH REPORT
TO CONGRESS ON
ASSISTANCE TO
GREECE AND
TURKEY

For the Period Ended September 30, 1948

THE DEPARTMENT OF STATE

B File

CONTENTS

The President's Letter of Transmittal

Greek Aid Program

Military Assistance to Greece.	1
Greek Army Operations.	3
Greek Naval Operations	6
Greek Air Force Operations	7
Guerrilla Situation as of September 30, 1948	8
United Nations Special Committee on the Balkans.	10
Economic Assistance.	12
Organization of American Mission for Aid to Greece	13
Procurement.	14

Turkish Aid Program

Military Assistance to Turkey.	15
Ground Force Program	17
Naval Program.	19
Air Force Program:	20
Road Construction Program.	22
Organization of the United States Mission for Aid to Turkey.	24
Procurement.	25

Appendix

A. Tables: Greece

I Status of Appropriation.	26
II Rate of Encumbrance of Funds	28
III Value of Aid Rendered.	30
IV Economic Aid	32

B. Tables: Turkey

I Status of Appropriation.	34
II Rate of Encumbrance of Funds	36
III Value of Aid Rendered.	38

C. Text of United Nations Special Committee Resolution 40

B File

THE PRESIDENT'S LETTER OF TRANSMITTAL

TO THE CONGRESS OF THE UNITED STATES:

Transmitted herewith is the fifth quarterly report (covering the first quarter of the fiscal year 1949) on United States military assistance to Greece and Turkey. Military aid to Greece and Turkey was inaugurated under the authority of Public Law 75, 80th Congress, and was continued under the authority of Title III of Public Law 472, 80th Congress, known as the Greek-Turkish Assistance Act of 1948. Responsibility for United States assistance in the economic rehabilitation of Greece begun under Public Law 75 was, pursuant to Public Law 472, Title I, transferred effective July 1, 1948, to the Economic Cooperation Administration, and results are reported to the Congress under that title.

The encouraging prospect for substantial elimination of the Greek guerrilla forces which existed at the time of the victory of the Greek National Army in the Grammos Mountains and which was referred to in the report for the period ending June 30, 1948, has unfortunately not materialized. A military stalemate has ensued which has prolonged the struggle. The United States is, of course, through the American Mission for Aid to Greece, continuing to deliver to the Greeks necessary military supplies and equipment and to advise and assist the Greek armed forces, in accordance with the Assistance Act.

THE WHITE HOUSE

(Sgd) HARRY S. TRUMAN

DEC 6 1948

B File

GREEK AID PROGRAM

MILITARY ASSISTANCE TO GREECE

During the period under review, the Greek guerrillas have continued and intensified their efforts to spread ruin and demoralization in an attempt to prepare the way for ultimate Communist domination of Greece. The strength of this attempt cannot be measured in terms of the number of active guerrillas alone, but must take into account the volume of assistance which international Communism continues to provide from Albania, Bulgaria, and Yugoslavia to sustain the guerrilla movement.

Although the Greek Army won a series of victories over the guerrillas during the spring and summer, the Army was deprived of final victory when the bulk of the guerrilla forces which had been defeated in the Grammos Mountains operation escaped into Albania. Shortly thereafter many of these same forces returned into Greece, and the failure of the Greek Army to make a determined effort to liquidate the guerrillas rallying in the nearby Vitsi area had, by the end of the period under review, permitted the establishment of an increasingly strong concentration there.

For Greece, which has known continuous strife and chaos for eight years, this was a bitter disappointment. Many older Greek soldiers had anticipated returning to their families and civilian life. The opportunity for bringing the guerrilla menace under control this

year was lost, and much hard fighting lay ahead. Greek morale suffered a severe blow.

Although the Greek people have not yet succeeded in eliminating this guerrilla menace, they are as of September 30, 1948, much better prepared to carry their fight to a successful conclusion as a result of the United States military-aid program. So far as numbers of troops, supplies, and equipment are concerned, United States authorities are confident that the Greek Army, Navy, and Air forces possess the capability of restoring internal security in Greece in the face of a guerrilla movement of the present proportions.

The Greek forces must now devote themselves to additional training and to development of leadership in all echelons in order fully to exploit this capability in future offensive operations. The total authorized strength of the Greek Army, Navy, and Air forces as of September 30 was 168,500.

GREEK ARMY OPERATIONS

The principal operation of the Greek Army during the summer of 1948 was operation "Crown", which was launched on June 16 in the Grammos Mountains area by elements of six divisions. A glance at the map will indicate the geographic and strategic nature of the Grammos Mountains area. This mountain massif, contiguous to the Albanian border, provided the Greek guerrillas a base from which by following difficult mountain trails they could travel in relative safety to almost every point in continental Greece. The Grammos area also provided an almost invulnerable supply line from Albania.

The first objective of the operation was to break the guerrilla control over the Grammos area by annihilating guerrilla formations and destroying their supply dumps and installations. The second objective was to establish Greek Army units in the Grammos Mountains and thus deny to the guerrillas the use of this strategic area. By July 20 guerrilla strength in the Grammos area had increased from approximately 7,000 to an estimated 12,000 as a result of reinforcements received from outside the battle area. More than 15,000 guerrillas, including those engaged in diversionary action behind the Greek Army lines, are believed to have participated in the Grammos battle at some time or other.

The operation ended when the pressure of the Greek Army offensive forced an estimated 3,000-5,000 guerrillas to withdraw across the border into Albania. On August 21 observers from the United Nations Special

Committee on the Balkans personally witnessed the entry into Albania of more than 1,000 guerrillas. By August 22 the Grammos area was cleared of guerrillas. Guerrilla casualties during the operation were heavy; large quantities of supplies were captured; many installations were destroyed; and the guerrillas were forced out of an area which they had considered their impregnable stronghold and had hoped to make their winter capital. During operation "Crown", from June 16 to August 22 the Greek forces lost 801 men killed in action and almost 5,000 wounded. During the same period the guerrillas lost more than 2,500 killed, 1000 captured or surrendered, and an indeterminate number of wounded.

In a surprisingly short time after the conclusion of operations in the Grammos Mountains, the guerrilla forces began building up a new concentration in the Vitsi Mountain area, which lies, roughly, between the towns of Kastoria and Florina and which is easily accessible from both the Albanian and Yugoslav borders. The first group of 1,200 guerrillas entered Vitsi from Albania just two days after the guerrilla flight from Grammos. By September 30 this guerrilla force had increased to 6,000. Despite a communication from the United Nations Special Committee on the Balkans addressed to the Governments of Albania, Bulgaria, and Yugoslavia requesting those Governments to disarm and intern Greek guerrillas entering their countries (see Appendix C), it is estimated that during the month of September more than 5,000 Greek guerrillas returned to Greece from the countries to the north, most of them into the Vitsi area. In addition to the guerrilla forces

which fled into Albania from the Grammos Mountains, these 5,000 also included guerrillas from hospitals and rehabilitation training camps north of the Greek border. As of September 30 the Greek National Army had not succeeded in eliminating this dangerous concentration in the Vitsi area and the guerrillas continued to reinforce their position although they had lost 1,093 in killed, captured, and surrendered.

Another operation of importance was launched on September 6 against 1,500 guerrillas in the Murgana area along the Albanian border. This operation came to a speedy conclusion on September 16 with guerrilla casualties of 259 killed, captured, and surrendered. While major operations were being conducted in the Grammos, Vitsi, and Murgana areas, small-scale operations were carried on by the Greek National Army in the areas of Kaimakchalan, Roumeli, Pangaion, and Evros.

GREEK NAVAL OPERATIONS

Although the brunt of the war against the guerrillas is borne by the ground forces, the Greek Navy has contributed considerable support. Operations of the Greek Navy have included minesweeping, movement of troops and matériel, bombardment and fire support, patrols to prevent guerrilla movement of men and matériel by sea, and the gathering of intelligence through local authorities in coastal villages. With vessels constantly on patrol and the bases of Salonika, Volos, Piraeus, and Patras alert to requests for support, any coastal area in Greece could be reached by sea in a few hours. A minimum of 12 shore bombardments a month have been delivered against guerrilla positions. A full GNA division, including personnel, vehicles, and animals, was transported without casualty. On August 1, as a result of minesweeping operations covering 4,917 square miles, Greek naval units had eliminated a total of 3,124 mines. The Greek Navy has set a target date of June 1950 for complete clearance of mines from Greek waters.

On September 6 in Fokianos Bay off the Peloponnesus, Greek naval units shelled and sank a ship laden with rifles, mines, and other military supplies intended for the guerrillas. Subsequent investigation by Greek authorities and by representatives of the United Nations Special Committee on the Balkans established that the sunken vessel had probably sailed from an Albanian port.

GREEK AIR FORCE OPERATIONS

The small Royal Hellenic Air Force continues to play an important role in operations against the guerrillas. Three Spitfire-equipped fighter squadrons and a reconnaissance squadron of AT-6's comprise the main force. The role of the Greek Air Force has been to perform reconnaissance and offensive missions against targets in close support of the army and against guerrilla rear-area installations. Supply drops from C-47 aircraft were made as required, and air evacuation of wounded was accomplished from the fields available. During the Grammos operations alone the Greek Air Force flew more than 2,400 offensive sorties, 750 reconnaissance flights, and 180 supply missions.

A fighter squadron and a reconnaissance flight are assigned to each of the permanent bases at Salonika, Larissa and Elefsis, from which they provide complete air coverage for Greece. In addition there are three major installations operated under the direct control of the Chief of Air Staff. The State Aircraft Factory in Athens is a fairly well-equipped depot. The Royal Hellenic Air Force School at Tatoi conducts technical courses for air force personnel and operates the Greek flying school. The recruit camp at Araxos is responsible for the basic training of all air force conscripts.

GUERRILLA SITUATION AS OF SEPTEMBER 30, 1948

Approximately 22,000 guerrillas were estimated to be active in Greece on September 30, 1948, despite reported losses since January 1, 1948, in excess of 13,000 killed and 12,500 captured and surrendered. A conservative estimate of guerrilla wounded would doubtless far exceed the number killed. Assuming, however, a figure of 13,000 wounded, of which a probable 10,000 have convalesced and are therefore included in the September 30 estimate of 22,000 active guerrillas in Greece, it is apparent that the Greek Army has, between January 1, 1948, and September 30, 1948, engaged more than 50,000 guerrillas, whose major sources of supply and supporting service personnel are securely protected across the border in Albania, Bulgaria, and Yugoslavia. Since service troops and replacement trainees cannot be counted as effective combat troops, the magnitude of the problem confronting Greek Army combat units can be seen.

Apart from the Grammos and Vitsi actions the guerrillas have in general avoided direct engagements with the Greek Army but have pursued tactics which have succeeded in keeping the widely dispersed Greek forces fully occupied. The continuation of pillaging tactics has resulted in the increase in the number of refugees to the record high of more than 600,000 and continues seriously to undermine civilian morale and retard economic rehabilitation. Guerrilla forces maintain their strength largely by forced recruiting of men and women and by ruthless exploitation of the areas temporarily under their control. The present

scale of guerrilla activity would not be possible without the arms and ammunition which are furnished from Albania, Bulgaria and Yugoslavia. Guerrilla forces along the frontier quickly withdraw across the border into Albania, Bulgaria, or Yugoslavia when threatened with destruction (as in the Grammos).

On September 30 approximately 50 percent of the active guerrilla strength was deployed along the northern frontier, while the remaining 50 percent was scattered in raiding forces throughout central Greece and the Peloponnesus. Activity away from the border areas increased during the period under review largely because the concentration of Greek Army combat troops in northern Greece against the guerrilla forces at Grammos and Vitsi left mainly civilians and less well-trained National Defense Corps battalions to face the guerrillas operating in the difficult interior mountainous areas. Consequently attacks on villages, shelling of towns, pillaging, mining, demolitions, burnings, and forced recruiting continued to impose a heavy burden on the civilian population and economy. During July and August alone more than 4,400 persons, including women, were forcibly recruited; thousands of mines were laid -- almost 8,000 were detected; and approximately 300 vehicles (including trucks, trains, and carts) were destroyed by mines. In these two months the guerrillas accomplished more than 300 demolitions of bridges, roads, railroads, water systems, and technical works, and almost 300 villages were attacked or looted.

UNITED NATIONS SPECIAL COMMITTEE ON THE BALKANS

The most authentic statement of the situation in northern Greece is to be found in the Annual and Supplementary Reports to the General Assembly by the United Nations Special Committee on the Balkans (UNSCOB). This nine-nation committee,* which was created by the United Nations General Assembly on October 21, 1947, has observed and reported on the assistance which the Greek guerrillas have continued to receive from Albania, Bulgaria, and Yugoslavia despite the injunction of the General Assembly that those countries should do nothing which would give aid or assistance to the Greek guerrillas. It is believed, however, that the work of the Special Committee, which Albania, Bulgaria, and Yugoslavia have refused to assist or even to recognize, has served as a deterrent to even more flagrant assistance to the guerrilla movement.

In a supplement to the Special Committee's Annual Report to the General Assembly, covering the period from June 17 to September 10, 1948, the Special Committee concluded, in part, on the basis of eye-witness observations by UNSCOB teams, that:

"The Greek guerrillas have continued to receive aid and assistance on a large scale from Albania, Bulgaria and Yugoslavia, with the knowledge of the governments of those countries.

"The Special Committee is fully convinced that the guerrillas in the frontier zones:

(1) have been largely dependent on external supply. Great quantities of arms, ammunition and other military stores have come

across the border, notably during times of heavy fighting. Strongly held positions of the guerrillas have protected their vital supply lines from Bulgaria, Yugoslavia and, in particular, from Albania. In recent months, there has been less evidence of receipt of supplies from Yugoslavia by the guerrillas.

(2) have frequently moved at will in territory across the frontier for tactical reasons, and have thus been able to concentrate their forces without interference by the Greek Army, and to return to Greece when they wished.

(3) have frequently retired safely into the territory of Albania, Bulgaria and Yugoslavia when the Greek Army exerted great pressure.

"The Special Committee is convinced that the continuation of such a situation constitutes an insurmountable obstacle to the establishment of 'good neighbourly relations' between Greece and her northern neighbors, as recommended in paragraph 5 of the Assembly Resolution of 21 October 1947. Still more, it constitutes a threat to the political independence and territorial integrity of Greece and to peace in the Balkans."

* Australia, Brazil, China, France, Mexico, Netherlands, Pakistan, the United Kingdom, and the United States. U. S. S. R. and Poland were originally nominated to UNSCOB by the General Assembly but refused to participate.

ECONOMIC ASSISTANCE

Public Law 75, 80th Congress, authorized \$300,000,000 for both military and economic aid to Greece. As of June 30, 1948, \$171,850,000 had been allotted for military assistance to Greece, and \$128,150,000 had been allotted for economic aid, including the administrative expenses of the American Mission for Aid to Greece. The commitment of Public Law 75 funds to carry out this economic assistance had, except for technical readjustments, occurred prior to July 1, 1948, the date on which the Economic Cooperation Administration became responsible for economic assistance to Greece. However, goods in the pipe line established by these commitments continued to flow in substantial volume during the three months ending September 30, 1948. Although the major portion of economic-aid goods procured under the authority of Public Law 75 has now been delivered in Greece, approximately \$13,000,000 worth remains to be shipped (see table IV).

Many of the activities carried on under the economic program have been important to the progress of the military-assistance program. Many reconstruction projects, in particular, have been of direct help in military operations. Resurfacing of the main highways of Greece has aided in the movement of military traffic; reconstruction work at the three principal ports -- Piraeus, Salonika, and Volos -- has facilitated the quick discharge and dispatch of military cargoes; rebuilding of railroad bridges and track and supplying of rolling stock have expedited military traffic; new airstrips and other improvements at eight airfields have made more effective the air war against the guerrillas.

ORGANIZATION OF AMERICAN MISSION FOR AID TO GREECE

On September 15, 1948, the President accepted the resignation of Dwight P. Griswold, who had served as Chief of the American Mission for Aid to Greece since July 10, 1947. Mr. Griswold was succeeded as Chief by Henry F. Grady, who occupies at the same time the position of United States Ambassador to Greece. The Chief of Mission has a personal and administrative staff of 28 civilians.

The procurement of supplies for the Greek forces is directly administered by a U. S. Army Group, a U. S. Navy Group, and a U. S. Air Force Group. The Joint U. S. Military Advisory and Planning Group (JUSMAPG), which advises the Greek General Staff in operational matters, is commanded by Lt. Gen. James A. Van Fleet. As of September 30, the total strength of the United States Army, Navy, and Air Force Groups, including the Military and Advisory Planning Group, was as follows:

	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>
Officers commissioned	165	20	12
Enlisted men	188	25	9
Civilians	<u>30</u>	<u>0</u>	<u>1</u>
Total	383	45	22

PROCUREMENT

Procurement of supplies for logistic support of the Greek armed forces out of appropriations for the fiscal year 1948-49 had been initiated to the extent of \$240,000,000 at the end of September. Deliveries were made with a total value of about \$170,000,000, including the cost of ocean transportation, handling and other services, leaving nearly \$70,000,000 worth of goods in the pipe line. The distribution by service categories as of September 30 is as follows:

Source of supply	Authorized for procurement	Shipments, transfers, and services rendered
Department of the Army		
Chemical Corps	\$ 107,531	\$ 107,531
Corps of Engineers	4,160,655	1,383,031
Medical Department	1,771,313	831,527
Ordnance Department	32,683,863	25,460,151
Quartermaster Corps	106,301,006	68,191,961
Signal Corps	5,419,485	4,886,721
United Kingdom Procurement ¹	46,780,168	39,034,709
Ocean Transportation	14,135,591	11,526,216
Miscellaneous	4,437,437	4,419,019
Total Army	215,797,049	155,840,866
Department of the Air Force ²	2,073,746	452,571
Department of the Navy	15,801,556	7,897,587
Other federal agencies	6,082,475	6,082,475
Total all sources	\$239,754,826	\$170,273,499

¹/ Since the Greek armed forces were originally supplied with British equipment, replacement and maintenance items are procured from United Kingdom sources.

²/ Represents procurement of items peculiar to the United States Air Force and does not indicate the extent of the Greek Air Force program.

TABLE I: GREECE

STATUS OF APPROPRIATION

UNDER PUBLIC LAWS 271 and 793, 80th CONGRESS

As of September 30, 1948

This table is a consolidated summary of the official accounting records of the various Federal agencies to which sums have been allocated by Treasury warrant from the appropriation. These agencies are immediately responsible for carrying out the various phases of the program for Aid to Greece. This statement, because of time consumed in auditing and certifying fiscal documents, does not reflect current program status. Program status information is reflected in subsequent tables.

TURKISH AID PROGRAM
MILITARY ASSISTANCE TO TURKEY

The purpose of the program of military aid to Turkey, which was inaugurated under Public Law 75, 80th Congress, and continued under Title III, Public Law 472, 80th Congress, is to assist the Turks in increasing the effectiveness of their military establishment without greatly increasing the Turkish military budget and at the same time to make possible a reduction in the number of men under arms to permit their return to productive civilian tasks.

American aid has provided the Turkish people an opportunity of improving their national defenses and, concurrently, of strengthening their civilian economy. Although time will be required for the Turkish armed forces to attain maximum effectiveness in the use of new matériel, significant progress has been made under the program in increasing their fire power and efficiency. Without American aid the crushing burden of Turkish defense expenditures would have produced greater and greater economic dislocations, which would have made it more difficult for Turkey to continue to resist Communist pressures.

The Turkish people have taken advantage of their opportunity. Turkey is today working hard to derive maximum benefit from United States supplies and training. Results to date have already convinced United States authorities that the modern equipment being provided under the aid program will permit reduction in the manpower requirements of the Turkish Army and the release to agriculture and industry

of many thousands of draft animals. The training program now under way will provide a pool of technicians (such as welders, machine-tool operators, aircraft mechanics, electronics experts, etc.) which should ultimately make a substantial contribution to the Turkish economy, as will the program of road construction begun under the 1948 program and supervised by a United States Public Roads Administration Mission.

The moral and material assistance which the United States is providing has also helped produce an atmosphere of confidence which has permitted the Turkish people to develop further the democratic institutions established since the formation of the Turkish Republic 25 years ago. A nation whose integrity is threatened is often forced to restrict individual liberties in the interest of national security; nevertheless, in a world permeated by fear and uncertainty, Turkey has resolutely set about improving those institutions which respect and protect the rights of the individual.

GROUND FORCE PROGRAM

The initial work of the United States Army Group has necessarily been devoted to technical training to provide the Turkish Army with sufficient trained personnel to assure proper utilization of the equipment now being provided. Steps have been taken to augment the personnel of the United States Army Group in order to provide the necessary instructors at the Command and Staff College and at the various branch schools. While the complete results of the United States Army Group's instructional efforts will appear only in the coming months, much has already been accomplished. Courses in artillery, motor transport, armor, infantry, signal, ordnance, antiaircraft, and field medical service have been offered in eight Turkish military schools. At the end of September several thousand Turkish officers and men had completed their courses at these schools. Instruction is currently being given to more than a thousand additional personnel. Fifty-seven Turkish officers have returned to Turkey after having received instruction in United States Army Schools and have been assigned as instructors in the operation and maintenance of United States aid materiel. Other Turkish Army officers are presently attending schools in the United States.

More than 50,000 measurement tons of equipment, including heavy ordnance, vehicles, and training supplies have been issued to the Turkish Army. More than 700 tons of motor-vehicle supplies were

received at the motor-vehicle depot in September alone, and previous delays in unloading operations at the depot were eased with the assignment of 100 Turkish civilian laborers. Much has been accomplished in improving Turkish Army supply facilities. Expansion of the maintenance shop at Ankara has been undertaken, and shop personnel are being trained in American supply procedure. Improvements at the Etlik Depot at Ankara, which serves as the principal depot for the Turkish Army, are proceeding satisfactorily. The necessity for development of common English-Turkish nomenclature for various items of supply is one of the basic problems confronting the Mission.

NAVAL PROGRAM

The United States naval program has to date resulted in the transfer to the Turkish Navy of 11 United States surface vessels (8 minesweepers, one repair ship, one net tender, and one small tanker) and 4 submarines. The vessels transferred constitute an important addition to the Turkish fleet. Small quantities of ordnance, shipyard-construction, electronics, instructional, and other materials have also been supplied.

The Submarine Instruction Unit of the Navy Group is engaged in training Turkish crews for the 4 submarines. Turkish crews for the 11 surface vessels, numbering 54 officers and 284 enlisted men, were trained in the United States prior to the departure of the vessels, and key Turkish personnel, consisting of 16 officers and 32 men, received preliminary training in the United States for manning the submarines. In addition, 77 Turkish naval officers and men have been sent to the United States for technical training, of whom 44 were still in the United States at the end of September. The Chief of Naval Operations, Washington, has authorized the sending of an additional United States officer to the Naval Group for assignment as an instructor at the Turkish Armed Forces Staff College, Istanbul.

Plans are being developed for a naval supply school early in 1949. A preliminary list has been prepared of equipment required to fit the repair ship Onaran for limited rescue and salvage operations. In addition to the improvements in various Turkish naval bases, the efficiency and capabilities of the Golcuk Shipyard in particular will be greatly increased as a result of the rehabilitation program now in progress.

AIR FORCE PROGRAM

More than 3,000 Turkish Air Force personnel have attended classes supervised by the United States Air Force Group. The Turks learn well and quickly, and, although they have not had the advantage of much previous mechanical experience, their training has proceeded even faster than was anticipated. Turkish Air Force personnel have started to learn the use of the various synthetic training devices which have recently been received. These devices will provide continuity of training during the winter months when training activities are ordinarily restricted. Because of the more rigorous medical standard which the United States Air Force Group has encouraged, the Turkish Air Force has been able to select better-qualified candidates for pilot training.

As of September 30, 13,253 long tons of supplies had been delivered to the Turkish Air Force, including a quantity of heavy engineering equipment for maintenance and construction of airfields. On-the-job training continued at the Air Engineering Center at the Cuma Ovasi airfield. The Turkish engineers trained last spring at the United States Army Engineering School at Murnau, Germany, are proving of great value in training other Turkish personnel in heavy air engineering equipment operation. Plans for a Turkish engineering organization to build and design airfields have been submitted to the Ministry of National Defense.

Approximately 80 percent of the aircraft scheduled for delivery under the present program has been received by the Turkish Air Force. The receipt of aid-program aircraft will permit the demobilization of a number of obsolete Turkish planes, continued operation of which is no longer economical. The increase in highly trained military pilots will eventually be felt in Turkey's slowly expanding commercial aviation services. Other important items supplied to the Turkish Air Force include aircraft machine guns, machine-gun ammunition, practice bombs, 2½-ton trucks, and such air medical equipment as a mobile low-pressure chamber, X-ray equipment, chemicals, and serums.

The Turkish Air Force grounded all F-47 type planes on September 21 to complete a carburetor change and replace rubber oil-hose connections. The United States Air Force Group instructed the Turkish Air Force depots in the preparation of replacement parts, and a maintenance team was dispatched to supervise the technical aspects of these modifications.

ROAD CONSTRUCTION PROGRAM

The activities of the United States Public Roads Administration Mission in Turkey are financed with \$5,000,000 allocated from the initial appropriation for aid to Turkey authorized by Public Law 75. The purpose of the Mission is to advise and assist the Turkish Government in the design and construction of highways. As of September 20, 4,230 tons of construction and shop equipment, representing about 94 percent of the materiel to be procured under the \$5,000,000 allotment, had been delivered.

The construction of priority roads from Iskenderun to Erzurum, Adana toward Karatas, Tarsus to Toprakkale, and Tarsus to Ulukisla is the primary objective of the road-building program. Work on these routes has been sharply accelerated, particularly on the Iskenderun-Toprakkale-Erzurum road. Additional equipment was sent to long sections of this road and the working force was increased during the quarter from about 350 men to approximately 4,000 men to operate the additional machinery and to supplement the machinery with hand-labor methods, particularly on sections requiring rock excavations where hand-labor can be most effectively used.

The total length of the four roads now being built is 1,134 kilometers (705 miles), compared with only 260 kilometers under construction on June 30, 1948. To date, approximately 100 kilometers have been opened to traffic under the road program.

By agreement, the Turkish Ministry of Public Works is meeting all costs of construction except the cost of United States equipment furnished with aid-program funds. The Ministry will also pay for all costs of the United States road mission after June 30, 1949. Under a recently approved program, 31,226,200 Turkish lire (\$11,150,000) were authorized for expenditure on the national highway system during the calendar year 1948. Over 380 Turks have been trained under the program as heavy road equipment operators, and 57 are now in training. Concurrently, members of the United States road mission have been working with the Turkish Department of Roads and Bridges with a view to assisting in the modernization of its organization and procedures. During September construction was begun on a central repair shop at Ankara, which will be equipped with aid-program funds.

The highway program has received enthusiastic comment from the Turks. The road mission's suggestions for the drafting of a new highway bill, the training of Turks in the operation of the American equipment, the supervision of highway construction, and the daily contact of Mission engineers with their Turkish colleagues, who are rapidly absorbing American methods, constitute an important contribution to the Turkish economy. Every mile of road constructed or repaired under the program, in addition to contributing very substantially to Turkish military defenses, will greatly benefit the rural population of the affected regions by facilitating the flow of their farm surpluses into domestic markets and export channels.

ORGANIZATION OF UNITED STATES MISSION FOR AID TO TURKEY

On August 20, 1948, Edwin C. Wilson resigned his duties as United States Ambassador to Turkey and as Chief of the American Mission for Aid to Turkey. Warwick Perkins served as Chargé d'Affaires and Acting Chief of the Mission through September 30. The American Mission for Aid to Turkey is composed of an Army Group, a Navy Group, an Air Force Group, and a Public Roads Administration Mission, which supervise delivery of supplies under the program and work with the appropriate Turkish officials in training Turkish personnel in the use of American material.

Mission personnel in Turkey at the end of September totaled 363.

Distribution on September 30 was as follows:

<u>Mission personnel</u>	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Roads</u>
Officers	38	31	35	
Enlisted men	15	94	50	
Civilians	57		16	
Engineers and administrative personnel				15
Operator instructors (roads)				9
Clerk-typists (roads)				3
	<u>110</u>	<u>*125</u>	<u>101</u>	<u>27</u>

*Includes 12 officers and 76 enlisted men on temporary duty with Submarine Instruction Unit.

PROCUREMENT

During the fiscal year 1948 and up to September 30, 1948, a total of \$117,730,000 has been allocated to Turkey under this program.

Procurement of \$88,000,000 worth of supplies and equipment from the United States has been initiated. Goods and services valued at more than \$59,000,000 had been shipped or furnished to Turkey by this date. These goods, with the exception of items such as aircraft and vessels which are delivered under their own power, total about 83,000 weight tons or 240,000 measurement tons.

Source of supply	Authorized for procurement	Shipments, transfers and services rendered
Department of the Army		
Corps of Engineers	\$ 4,591,207	\$ 2,325,952
Medical Department	326,730	118,709
Ordnance Department	29,571,622	20,322,199
Quartermaster Corps	362,397	313,829
Signal Corps	10,418,903	8,740,318
Ocean transportation	5,661,410	2,898,320
Administrative and training expenses	2,100,000	2,100,000
Oversens commands, etc.	2,906,865	1,727,952
Total Army	55,939,134	38,547,279
Department of the Air Force ¹	13,492,446	7,572,858
Department of the Navy	13,920,636	9,344,991
Federal Works Agency ²	4,937,555	4,034,053
Total all sources	\$88,289,771	\$59,499,181

1/ Represents procurement of items peculiar to the United States Air Force and does not indicate the extent of the Turkish Air Force program.

2/ Includes procurement of road construction machinery valued at \$588,731, by the Army Corps of Engineers during the initial phase of the road program.

TABLE I: GREECE: STATUS OF APPROPRIATION
UNDER PUBLIC LAWS 271 and 793, 80th CONGRESS

As of September 30, 1948

Agency	Allocations to disbursing agencies	Allotments by disbursing agencies to programs	Obligations	Expenditures
Greece				
Department of Agriculture	\$ 31,014,650.00	\$ 31,006,210.03	\$ 31,005,766.18	\$ 30,909,811.03
Departments of the Army and Air Force				
Military program	239,000,000.00	220,823,333.79	196,653,112.84	86,823,820.24
Corps of Engineers projects	20,500,000.00	20,500,000.00	19,861,311.04	17,425,910.98
Economic Cooperation Administration	1,500,000.00	- - - - -	- - - - -	- - - - -
Federal Security Agency	116,000.00	105,101.76	82,523.66	36,876.82
Department of the Navy				
Naval program	18,850,000.00	15,762,990.00	15,801,555.67	7,044,852.65
Petroleum purchases	4,610,000.00	4,534,615.00	3,584,527.91	2,922,504.65
Department of State				
Program and American Mission	56,030,000.00	50,940,000.00	50,047,091.90	49,609,393.74
Departmental expenses	400,000.00	323,750.00	324,993.61	292,642.04
Treasury Department	23,040,000.00	23,040,000.00	18,876,184.00	14,176,576.44
Total for all agencies	<u>395,060,650.00</u>	<u>367,045,000.58</u>	<u>336,437,066.81</u>	<u>209,242,388.59</u>
Total allocated for Turkey	117,730,000.00			
Unallocated	<u>112,209,350.00</u>			
Total appropriated by the Congress	625,000,000.00			

TABIE II: GREECE

RATE OF ENCUMBRANCE OF FUNDS AUTHORIZED

BY PUBLIC LAWS 75 and 472, 80th CONGRESS

This table sets forth the cumulative total by month of funds committed by the Department of the Army, the Department of the Navy and by other Federal agencies under the program for Greek military and naval aid. The term encumbrance is used to designate the value of transfer directives, transfer statements, requisitions, or other similar action or document which reserves funds for a specific and immediate purpose. In general, these encumbrance figures represent the value of purchase orders placed in the procurement process. Under Federal procurement procedure, an amount equivalent to the procurement cost must be set aside at the time when procurement is initiated. Since this table summarizes the commitments of funds, it may be used together with supporting records for program control.

TABLE II: GREECE: RATE OF ENCUMBRANCE OF FUNDS
 AUTHORIZED BY PUBLIC LAWS 75 and 472, 80th CONGRESS
 Cumulative by Month

Month	Total	Military		Naval	
		Army and Air Force	Other ^{1/}	Navy	Other ^{1/}
1947					
August	\$ 542,971		\$ 425,925		\$ 117,046
September	51,662,112	\$ 45,424,000	604,533	\$ 5,254,350	379,229
October	61,739,532	55,034,000	770,260	5,278,850	676,422
November	69,304,598	62,215,000	939,289	5,363,150	787,159
December	74,831,193	63,430,000	1,087,719	9,438,822	874,652
1948					
January	108,884,168	96,456,000	1,331,045	9,993,350	1,103,773
February	121,833,572	108,783,000	1,876,657	9,965,068	1,208,847
March	161,635,634	146,000,000	2,332,880	11,934,882	1,367,872
April	175,806,960	159,000,000	2,596,694	12,514,307	1,695,959
May	177,692,110	160,949,957	2,844,086	12,833,698	1,064,369
June	199,479,107	182,147,050	3,095,699	12,849,572	1,386,776
July	212,501,777	192,841,674	3,370,699	14,644,628	1,644,776
August	251,494,442	230,695,881	3,645,699	15,250,086	1,902,776
September	239,754,826	217,870,795 ^{2/}	3,920,699	15,801,556	2,161,776
Total program	266,910,650 ^{3/}	239,000,000	5,645,699	18,850,000	3,414,951

- ^{1/} Represents value of goods supplied to the military and naval programs from aid funds other than those allocated by Treasury warrant to the Departments of the Army and Navy.
- ^{2/} The decrease from August is occasioned by adjustment of procurement schedules.
- ^{3/} Represents the aggregate amount of allocations by Treasury warrant made through September 30, 1948 to finance specific commitments, exclusive of economic assistance.

TABLE III: GREECE

VALUE OF AID RENDERED

This table reflects the value of goods and services delivered to Greece from all sources, including Great Britain. This table therefore measures the monthly rate at which aid benefits have actually accrued to Greece through September 1948.

TABLE III: GREECE: VALUE OF AID RENDERED

Cumulative by Month

Month	Total	Military		Naval	
		Army and Air Force	Other	Navy	Other
1947					
August	\$15,048,412	\$14,210,000	\$425,925	\$295,441	\$117,046
September	25,316,888	23,909,000	604,533	424,126	379,229
October	34,259,707	32,279,000	770,260	534,025	676,422
November	37,044,001	34,569,000	939,289	748,553	787,159
December	43,067,010	40,190,000	1,087,719	914,639	874,652
1948					
January	46,603,539	42,880,000	1,331,045	1,288,721	1,103,773
February	59,570,016	54,012,000	1,876,657	2,472,512	1,208,847
March	77,673,264	71,000,000	2,332,880	2,972,512	1,367,872
April	93,320,329	84,095,000	2,596,694	4,932,676	1,695,959
May	105,400,505	96,397,462	2,844,086	5,094,588	1,064,369
June	112,842,542	103,248,229	3,095,699	5,111,838	1,386,776
July	134,119,871	122,374,163	3,370,699	6,730,233	1,644,776
August	154,638,299	141,854,203	3,645,699	7,235,621	1,902,776
September	170,273,499	156,293,437	3,920,699	7,897,587	2,161,776
Total program ^{2/}					
	266,910,650	239,000,000	5,645,699	18,850,000	3,414,951

1/ Represents value of goods supplied to the military and naval programs from aid funds other than those allocated by Treasury warrant to the Departments of the Army and Navy.

2/ Represents the aggregate amount of allocations by Treasury warrant made through September 30, 1948 to finance specific commitments, exclusive of economic assistance.

TABLE IV: GREECE

ECONOMIC AID AUTHORIZED BY PUBLIC LAW 75, 80th CONGRESS

Economic as well as military aid to Greece was authorized by Public Law 75. Funds were committed for economic aid up to June 30, 1948. On July 1, the Economic Cooperation Administration assumed responsibility for economic assistance to Greece. However, funds authorized by Public Law 75 are being used currently to discharge commitments made prior to June 30. This table shows the total of commitments and the extent to which they have been discharged.

TABLE IV: GREECE: ECONOMIC AID
 AUTHORIZED BY PUBLIC LAW 75, 80th CONGRESS

Cumulative by Month

Month	Encumbrances	Aid Rendered
1947		
August	\$ 1,479,029	
September	7,240,238	
October	17,546,831	\$ 9,380,562
November	27,470,090	15,890,194
December	43,946,849	21,907,125
1948		
January	69,475,537	38,421,385
February	86,334,000	54,954,948
March	96,262,489	68,848,365
April	107,059,557	90,544,181
May	112,964,581	100,478,124
June	124,438,342	106,175,475
July	127,581,582	109,037,048
August	127,443,241	112,389,306
September	127,876,926	114,311,296
Reserve ^{1/}	273,074	
Total program	128,150,000	

^{1/} Funds available for covering upward adjustments of commitments.

TEXT OF RESOLUTION ADOPTED AUGUST 12, 1948 OF UNITED NATIONS SPECIAL COMMITTEE ON UNSCOB.

- "1. Whereas the present military operations in the frontier regions of northern Greece may give rise to a situation in which as a result of pressure by the Greek Army, Greek guerrillas might attempt to seek refuge in the territory of any one of the northern neighbors of Greece,
- "2. Considering that the General Assembly in its resolution of the 21st October 1947 called upon 'Albania, Bulgaria and Yugoslavia to do nothing which could furnish aid and assistance' to the Greek guerrillas and also called upon 'Albania, Bulgaria and Yugoslavia on the one hand and Greece on the other to cooperate in the settlement of their disputes by peaceful means' and;
- "3. Being of the opinion that any action which might in the near or distant future enable Greek guerrillas armed or unarmed to enter the territory of any of the northern neighbor states of Greece and later to return to active guerrilla service in Greece would amount to direct aid and assistance being rendered to an insurrectionary movement against the government of a member of the United Nations in defiance of international law and the very principles of the Charter and would therefore constitute a grave threat to the 'maintenance of international peace and security' the special committee;
- "4. Recommends that in the event of guerrillas entering their territories the Governments of Albania, Bulgaria and Yugoslavia should immediately disarm them, if armed, and intern them in camps where they should be prevented from carrying on any political or military activity and;
- "5. Resolves (a) that this resolution be communicated to the four governments concerned and to all member states of the United Nations; and (b) that in view of the special situation at present existing in the Greecos area on the Greek side of the Albanian-Greek frontier the particular attention of the Government of Albania be drawn to this resolution by telegraph".

TABLE V: TURKEY

STATUS OF APPROPRIATION

UNDER PUBLIC LAWS 271 and 793, 80th CONGRESS

As of September 30, 1948

This table is a consolidated summary of the official accounting records of the various Federal agencies to which sums have been allocated by Treasury warrant from the appropriation. These agencies are immediately responsible for carrying out the various phases of the program for Aid to Turkey. This statement, because of time consumed in auditing and certifying fiscal documents, does not reflect current program status. Program status information is reflected in subsequent tables.

TABLE V: TURKEY: STATUS OF APPROPRIATION
UNDER PUBLIC LAWS 271 and 753, 80th CONGRESS
As of September 30, 1948

Agency	Allocations to disbursing agencies	Allotments by disbursing agencies to programs	Obligations	Expenditures
Turkey				
Department of the Army	\$ 95,818,731.89	\$67,718,658.40	\$50,439,430.32	\$18,463,628.51
Federal Works Agency	4,411,269.00	4,411,269.00	3,545,322.12	3,050,301.45
Department of the Navy	16,480,000.00	13,918,084.78	13,920,636.35	10,663,387.91
Department of State	<u>20,000.00</u>	<u>13,859.00</u>	<u>5,273.58</u>	<u>5,273.58</u>
Total for all agencies	<u>117,730,000.00</u>	86,061,871.18	67,910,662.37	32,182,591.45
Total allocated for Greece	395,060,650.00			
Unallocated	<u>112,209,350.00</u>			
Total appropriated by the Congress	625,000,000.00			

TABLE VI: TURKEY

RATE OF ENCUMBRANCE OF FUNDS AUTHORIZED

BY PUBLIC LAWS 75 and 472, 80th CONGRESS

This table sets forth the cumulative total by month of funds committed by the Department of the Army, the Department of the Navy and by other Federal agencies under the program for Turkish military and naval aid. The term encumbrance is used to designate the value of transfer directives, transfer statements, requisitions, or other similar action or document which reserves funds for a specific and immediate purpose. In general, these encumbrance figures represent the value of purchase orders placed in the procurement process. Under Federal procurement procedure, an amount equivalent to the procurement cost must be set aside at the time when procurement is initiated. Since this table summarizes the commitments of funds, it may be used together with supporting records for program control.

TABLE VI: TURKEY: RATE OF ENCUMBRANCE OF FUNDS
 AUTHORIZED BY PUBLIC LAWS 75 and 472, 80th CONGRESS
 Cumulative by Month

Month	Total	Military	Naval	Roads
1947				
September	\$ 839,481		\$ 250,750	\$ 588,731
October	2,359,581	\$ 810,000	960,850	588,731
November	11,798,988	9,957,000	1,128,257	713,731
December	24,112,932	17,257,000	2,517,201	4,338,731
1948				
January	49,048,736	38,182,000	6,528,005	4,338,731
February	62,935,871	49,894,000	8,703,140	4,338,731
March	69,284,131	55,000,000	9,945,400	4,338,731
April	83,810,527	67,246,000	11,626,972	4,937,555
May	93,461,460	75,850,000	12,673,905	4,937,555
June	93,722,383	75,850,000	12,934,828	4,937,555
July	99,973,167	81,850,000	13,185,612	4,937,555
August	104,720,673	86,087,058 ¹	13,696,060	4,937,555
September	88,289,771	69,431,580 ¹	13,920,636	4,937,555
Total program	117,730,000 ²	96,250,000	16,480,000	5,000,000

- 1 Decrease from August is occasioned by adjustment of procurement schedules.
- 2 Represents the aggregate amount of allocations by Treasury warrant made through September 30, 1948 to finance specific commitments.

TABLE VII: TURKEY

VALUE OF AID RENDERED

This table reflects the value of goods and services delivered to Turkey from all sources. It therefore measures the monthly rate at which aid benefits have actually accrued to Turkey through September 1948.

TABLE VII: TURKEY: VALUE OF AID RENDERED

Cumulative by Month

Month	Total	Military	Naval	Roads
1947				
October	\$ 688,731	\$ 100,000		\$ 588,741
November	1,187,105	597,197	\$ 1,777	588,731
December	1,494,111	885,851	3,852	604,408
1948				
January	3,734,768	1,073,750	561,817	2,099,201
February	7,830,417	2,493,750	2,837,012	2,499,655
March	13,926,610	7,100,000	3,927,596	2,899,014
April	20,041,984	12,192,000	4,873,017	2,976,967
May	27,686,929	19,053,033	5,569,506	3,064,390
June	38,417,709	27,259,851	7,602,589	3,555,269
July	46,918,642	34,583,553	8,459,807	3,875,282
August	52,813,173	44,069,599	8,743,574	3,988,248
September	59,499,181	46,120,137	9,344,991	4,034,053
Total program	117,730,000 ¹	96,250,000	16,480,000	5,000,000

¹ Represents the aggregate amount of allocations by Treasury warrant made through September 30, 1948 to finance specific commitments.

November 4, 1948

424
George and
family

Dear Mr. Xanthaky:

This acknowledges in the absence of
the President your letter commending the recent
report concerning the status of the Greek Aid
Program. I shall have much pleasure in bringing
your letter to the attention of the President
and I know he will deeply appreciate the assur-
ance of confidence in his leadership which your
letter conveys.

Very sincerely yours,

WILLIAM D. HASSETT
Secretary to the President

Mr. George Xanthaky,
Executive Vice President,
Greek War Relief Association,
x 221 West 57th Street,
New York 19, N. Y.

x204
michael

aw

B File

GREEK WAR RELIEF ASSOCIATION, INC. U.S.A.

221 WEST 57th STREET

NEW YORK 19, N. Y.

Circle 5-9100

The Most Rev. ATHENAGORAS
Chairman

THOMAS J. WATSON

HOWELL W. MURRAY
Honorary Vice-Chairman

JOHN THEYOS

Vice-Chairman

SPYROS P. SKOURAS
Chairman, Board of Directors

WILLIAM HELIS

President

S. GREGORY TAYLOR

Vice-President

Chairman, Executive Committee

GEORGE P. SKOURAS

STEPHEN STEPHANIDIS

Vice-Presidents
PETER T. KOURIDES
Secretary

E. T. HARDALOUPAS
Treasurer

Executive Committee

The Most Rev. ATHENAGORAS

PETER CHUMBRIS

DR. GEORGE P. GAVARIS

STATHIS T. GEORGES

EVANGELOS T. HARDALOUPAS

WILLIAM HELIS

CHARLES D. KOTSILIRAS
PETER T. KOURIDES

VAN A. NOMIKOS

THOMAS A. PAPPAS

GEORGE P. SKOURAS

SPYROS P. SKOURAS

STEPHEN STEPHANIDIS

S. GREGORY TAYLOR

JOHN THEYOS
K. P. TSOLAINOS

GEORGE XANTHAKY
Executive Vice-President

October 22, 1948.

Dear Mr. President:

May I, as one who is fairly well posted on conditions in Greece, congratulate you on your recent report concerning the status of the Greek Aid Program. If anything, you have understated the facts. It is really a pity that so few people realize that without your timely and firm intervention, Greece today would be a Communist vassel state.

During the past twelve months, I have made three visits to Greece and have had more than usual opportunity to observe the scope, progress and effect of the American Aid Program. In many areas it has been little short of miraculous. The work done by American engineers and American contracting firms, particularly Grove, Sheppard, Wilson and Krug which is operating in Greece as Steers Grove, has been outstanding. The clearing of the Corinth Canal and the rehabilitation of port facilities, as well as the building of an extensive network of good roads were an absolute condition precedent to economic recovery, in Greece.

The fact that the work was completed in almost record time, despite transportation, communications and internal security problems which, at times, crippled all operations, has made a tremendous impression on the Greek people and has done much to increase American prestige in Greece.

In closing, may I extend my personal thanks as well as the thanks of our Association and all Americans of Greek extraction for your courageous and farsighted leadership. All of us who have any connection with Greek affairs shall forever be indebted to you.

Very sincerely yours,

George Xanthaky
George Xanthaky
Executive Vice President

The President of the United States
White House
Washington, D.C.

GX:AW

A participating agency of American Overseas Aid-United Nations Appeal for Children

March 19, 1947

EDITORIAL REACTION TO CURRENT ISSUES

(Issued on a continuing basis as events warrant)

PRESIDENT'S ADDRESS BEFORE CONGRESS
ON
GREEK SITUATION

Part I

Restricted to speech. Later Parts
will cover situation as a whole

(Editorials from 225 papers received Mar. 13 to Mar. 18)

Prepared by
Division of Press Intelligence
Office of Government Reports

The reaction of the press and the reception by the people, as reflected through editorials, is exceedingly favorable. This can be truly said despite the fact that nearly all editorials recognize the risk and doubtful outcome of the proposed steps. The risk must be taken, most papers believe.

A sizeable group is 100% in support of the President's proposal.

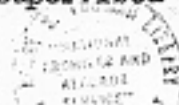
A number agree we must act but have doubts as to just how and when. They advocate the deepest and most judicious inquiry by Congress and the people before decision is made, so that the action taken will be the wisest and safest for ourselves and the rest of the world.

On the President proposing action outside the United Nations, opinion is 4 to 1 in favor of such action.

Only about a dozen editorials oppose such "meddling". As may be expected, they include the New York Daily Worker, New York PM, Chicago Tribune and Washington Times-Herald. Strangely enough, the two Richmond papers and the Raleigh News & Observer are found in this group.

B File

- 117 endorse the President's proposal; declare historic decision to be made is greater than Monroe Doctrine or our expansion to West Coast century ago; feel outcome of situation may decide our own destiny as a free people; say the President's "brave and admirable address" made a strong case for a precedent-breaking foreign policy; are convinced Congress must give the President what he seeks or we will face most serious consequences with the alternative of leaving weak nations at mercy of expanding Red empire; urge Congress to accept recommendations without partisan debate; point out our choice is to assume our place as principal world power or give Moscow a blank check; call our decision as crucial as Roosevelt plea to give lend-lease and convoys to Britain and France; regard message in speech as "plain as a pike-staff" though it was "masterpiece of indirection" with Soviet Union not being mentioned once; emphasize fact British kept world at peace for century without Communism and we must now do so with Communism as foe; insist we have inherited this mantle from British and cannot escape our responsibility.
- 33 see situation "full of ominous possibilities" and placing on Congress the burden of most difficult and delicate decision; want Congress and people to give problem most judicious and deliberative study; feel choice is not "whether" but "how" and "when"; believe steps should not be taken without knowing all contingencies and being determined to see things through; say the President could be wrong in overestimating consequences of delay for full study; warn against acting on theory money is cure-all.
- 20 on United Nations' role in crisis.
- 16 support the President in suggesting action be taken outside world organization since UN is not organized or equipped to undertake task; feel people should understand this.
- 4 argue we must decide either to make UN our primary objective and such issues as Greece and Turkey secondary or put UN aside momentarily and give first consideration to situations we once hoped UN would remedy; say UN could at least authorize us to act in its stead.
- 13 in opposition to Truman course.
- 9 complain that "crisis whipped up by the President has no basis in reality" and that the President is playing tricks with words; accuse him of "babbling" about peace and security while inviting hazards of war and dissolution of our republic; ask "what business is it of ours?"; say if democracy can't live in rest of world without us going to war every few years, "we ought to let it die". (3, NY Daily Worker; 2, Chicago Tribune; 1 each, NY PM, Washington Times-Herald, Wheeling Intelligencer and Green Bay, Wis., Gazette.)
- 3 criticize speech in what might be called pseudo-patriotic spirit; charge vagueness, incompleteness and possible hiding of secret commitments; stress great likelihood of war. (All lengthy editorials. Two from Richmond Times-Dispatch and Richmond News-Leader, 3/13. Third from Raleigh News & Observer, 3/14, including entire Times-Dispatch editorial.)
- 1 declares "President Truman's demand . . . marks a day of national shame for our country"; accuse him of "selling the American people the 'fool's gold of empire', in complete abandonment of Roosevelt's vision of a stable postwar peace"; predicts "the empire-grab, masked by anti-Communism hysteria, is doomed to failure". (New York Daily Worker, 3/13)
- 7 say speech is comparable to Roosevelt's famous "quarantine" speech against aggressors, made under analogous circumstances in 1937; feel the President has made "relatively modest proposals" to meet Russian threat; believe it essential that assistance program be supervised by competent military and civilian personnel.



B File

14 on miscellaneous phases.

- 1 takes New York Daily Worker to task for saying the President's program "marks a day of national shame for our country"; claims such a charge "is so utterly pro-Russian as to be as ridiculous as it is irritating"; is confident American people realize the President "was speaking from full knowledge of facts and conditions, and out of patriotic devotion to his country". (Portland, Me., Press-Herald, 3/14. See NY Daily Worker, 3/13, above.)
- 3 insist American people must not be left in the dark; want them given all inside facts; oppose having closed hearings in Congress.
- 3 wonder how Greece can have confidence we will continue support, in view of our record in aiding Chiang Kai-shek's government.
- 1 does not fear Russo-American war since neither country is ready for war; considers prospect of armed conflict almost zero.
- 1 feels statement of endorsement by Vandenberg will go far to eliminate bitter partisanship; says showdown with Russia is inevitable and might as well come now.
- 1 believes our aid to Greece and Turkey will prevent rise of Communism if majorities there really want it.
- 2 favor all-out aid from us to relieve personal and economic distress in two countries but would leave military and ideological phases up to UN.
- 1 maintains relief demands upon our funds do not end need for utmost economy in domestic affairs.
- 1 is pleased by improvement in the President's platform manner; find him slower and more deliberate; note gain in clarity of speech.

204

-000-



March 22, 1947

EDITORIAL REACTION TO CURRENT ISSUES

(Issued on a continuing basis as events warrant)

GREEK SITUATION

Part II

(Editorials from 225 papers received Mar. 18 to Mar. 20)



Prepared by
Division of Press Intelligence
Office of Government Reports

The President continues in Part II to receive editorial support from a majority of the American daily press. The ratio remains about the same as to general endorsement, approval with some reservation, and all-out opposition.

Of those anxious or willing to go along with the President, practically all express realization of the seriousness, and even uncertainty, of the proposed program. However, it is keenly felt that it is inevitable we must undertake to assure world peace and self-determination in government by all peoples.

Those opposing the proposal as listed in Part I, are now joined by the Detroit Free Press and other members of the John S. Knight chain. Knight's crusade banners are being carried by the Sioux Falls Argus-Leader and the Topeka Capital.

Josephus Daniels' Raleigh News & Observer is carrying on its own crusade in opposition, with some of its arguments of questionable pertinence and soundness. In the midst of the crusade, the paper pauses long enough to score other critics for asserting Roosevelt violated his 1940 pledge not to send our boys into foreign wars.

B File

The 4-to-1 sentiment supporting the President's by-passing of UN, is reduced to 2-to-1 in Part II.

Condemnation of Wallace's opposition is unanimous.

Editorials on positions taken by members of Congress are almost all in support of the President.

Sentiment on reception by Russian press and Russian policy makers is entirely favorable to the President's position.

- 96 endorse the President's proposal either in its entirety or with some doubts on single phases; consider it "not a war policy, but a peace policy"; say it is "both premature and unwise to talk of an inevitable conflict when there are alternatives"; admit proposal is neither painless nor cheap but are convinced it is wise; feel proposal reflects the President's personal courage and his faith in strength and ideals of U.S.; like his phrase "at the request" which means aid will be given only if wanted and will not be imposed; see proposal helping Marshall's position at Moscow; believe we should neither compromise nor appease; argue against permitting decline in our armed strength because of economy efforts; urge "resoluteness and perseverance" of American people; feel sending aid is good way to use war surpluses we have no need for; welcome support given by Vandenberg, Bridges and other GOP leaders.
- 48 sympathize generally with the President's proposal but reserve support as to scope and degree of aid which can be successfully and safely given; all favor relieving personal distress of Greeks and Turks; call it a time for "hard and deep thinking"; are mostly concerned over Congress having full facts and information on which to base its decision; want that decision to conform with wishes of American people; say "intelligent necessity" not "emotional desire" should control; some favor immediate relief of distress but would be more deliberative on political and ideological phases; hail recall of our ambassadors to Greece and Turkey as master stroke to get first-hand information for Congress; criticize Britain for dumping Greek problem in our lap.
- 23 in opposition to proposal.
- 6 urge Congress to reject program and turn problem over to UN where it belongs; insist World Bank and Export-Import Bank should shoulder burden of social and economic relief; feel Truman plea has shocked American people and left them unconvinced; claim real target of Truman doctrine is not Russia but labor and social legislation enacted under New Deal.
- 2 call it imprudent to count on easy diplomatic victory through Truman policy; maintain it would lead to war and that even victory would leave us in sorry condition in which England finds herself. (Chicago Tribune, 3/15 & 3/17)
- 3 contend the President has handled situation very badly; say Russo-American differences will be more easily composed when and if we stop fighting England's battles as well as our own; believe all European countries would like us to save them from Communism but don't want to become U.S. "protectorates" or battleground for World War III. (Detroit Free Press, 3/15 & 3/18)
- 2 remain unconvinced by arguments of backers of the President's proposal; complain that nation has not been taken into official confidence and that decisions to date are based on hearsay; prefer statesmanship Disraeli used to block Russian ambitions in 1875. (Richmond Times-Dispatch, 3/16 & 3/17)

HARRY S. TRUMAN
President's Secretary
Files

Opposition to proposal (Cont'd)

- 1 complains of overnight changes in our foreign policy; points out one month we ask UN for trusteeship over Pacific islands and next month by-pass UN in campaign against Russia. (Richmond News-Leader, 3/17)
- 4 claim possibility of democracy in Greece has already disappeared and fighting there has already gone the way of Spanish Civil War; wonder if next step for Uncle Sam will be to become one of Britain's Commonwealth of Nations; find it "something new for Congress to be directed by a foreign government as to date and hour when it must legislate in a way to drain the Treasury of the United States"; contend we should not undertake alone what UN was set up to do. (Raleigh News & Observer, 3/15, 3/17 & 3/18)
- 1 reverses position above by insisting Roosevelt kept his 1940 campaign pledge not to send troops abroad "unless we are attacked"; accuses some Republicans in present crisis of taking the place of ancient ghouls. (Raleigh News & Observer, 3/15)
- 2 are inclined to agree with John S. Knight of Detroit Free Press in his opposition to the President's proposal. (Sioux Falls Argus-Leader, 3/15; Topeka Capital, 3/16)
- 2 refute opposing arguments of NY Daily Worker; say Moscow and Wallace type of opposition proves the President right; claim what is bad for Russia must be good for U. S. (St. Paul Pioneer-Press, 3/14; Wilkes-Barre Times-Leader, 3/15)
- 32 on the President acting outside UN.
- 22 approve, recognizing inability of world organization to handle situation; blame bungling in setting up UN and properly implementing it; say obligation to act is clearly ours since we failed to rule power politics out of UN; want UN utilized now to "greatest feasible extent"; condemn enemies of UN for criticizing the President; would make his address to Congress not death knell of UN but new transfusion of life; find most helpful the Vandenberg statement UN is not ready to act.
- 6 maintain UN, not the U. S., should decide whether armed intervention is needed to keep world peace; contend moral backing of community of nations is vital, even though U. S. would have to contribute most; insist possibility of UN action should be explored before decision is made by Congress.
- 4 condemn Truman policy as a death blow to UN and as a risk of bankruptcy and war for us; quotes formal statements of UN leaders during past two years to prove unwisdom of the President's proposal; offer six-point fallacy of our position. (Half-page editorial with cartoons in John S. Knight chain. Detroit Free Press, Akron Beacon-Journal, Miami Herald, 3/16; Chicago News, 3/15)
- 20 condemn Wallace speech opposing proposal; feel Moscow must be grateful to him and fear Russia will err in thinking U. S. is not behind the President; say no situation in U. S. can be so bad that speech by Wallace won't make it worse; use such captions as "Singing Soviet Song", "Isolationists' Folly", "Why Doesn't He Take Up Boomerangs Again?", "No More Munichs, Henry", "Why, Henry!", and "Henry's 'Agin' It".
- 22 on reaction in Congress.
- 3 insist debate should be in order and without wrangling; want the President given broad discretionary power in using funds; warn against cutting Armed Services appropriations below budget requests; hail support of Vandenberg, Eaton and others.
- 6 praise prompt support of Vandenberg; call it outstanding example of placing patriotism above partisanship.
- 2 find great comfort in prompt endorsement of Sen. Lodge.
- 1 approves Flanders resolution to stop shipment of goods to Russia; feels it is in line with the President's plan and will help stop Red aggression.



Reaction in Congress. (Cont'd)

- 5 declare that Taft, as usual, is wrong; find him typical of false GOP leadership which is undermining party; charge unreformed isolationists like Taft find themselves bedfellows with Communist totalitarians.
- 2 on Johnson argument we should furnish relief but not armed assistance.
1 endorses.
1 opposes; says Colorado Senator "is back on the old isolation track".
- 1 feels it would be better if those who "fought the war mongers forewent their little hour of triumph"; names Brooks, Hoffman and Reed.
- 1 condemns Brooks' isolationism and obstructionism, both past and present.
- 1 agrees with O'Konski we have been aiding aggressors since 1933 and that Truman plan shows intent to continue.
- 31 take delay and mildness of Russian reaction to mean Kremlin is faced with hard nut to crack; say Russ protest hardly deserves serious reply; admit Izvestia charge we are interfering but declare we should do so to win world stability; ridicule claim UN should act since Moscow knows UN can't; see protest as proof of soundness of the President's fears; regard Wallace speech as American loud-speaker for Russ press and policy makers.
- 5 point out that Russia can solve crisis by abiding by UN charter and making concessions from her present position; maintain prospects of war depend on Moscow's good or bad intentions.
- 11 on Turkey's position in crisis.
10 see destinies of Turkey and Greece bound together against Russian expansion; feel we must give moral and material support there, just as much as to Greece.
1 doesn't trust Turkey and says she doesn't need relief; calls country military dictatorship and not democratic government.
- 6 on our record in China.
4 insist reasoning behind Greek-Turkish program argues for reversal of present U. S. and UNRRA policies in aiding China; call on the President to follow up his brilliant speech with such a declaration of economic policy. (Scripps-Howard chain, 3/14.)
2 admit record in China is contrary to plan for Greece but declare conditions are different; expect Congress to realize difference and approve Greek program.
- 14 on miscellaneous phases.
6 call FAO report on conditions in Greece poignantly dramatic; say it is most timely and gives excellent idea of what is needed to rehabilitate Greece; declare it points out only feasible way to prevent spread of Communism.
3 praise Senate Committee for rejecting the President's earlier request to let Selective Service lapse March 31; see full justification for rejection in light of Greek situation.
1 says the President, "a remarkably patient and reasonable man", cannot be accused of belligerence; thinks he "has grown enormously in the esteem of the nation in showing the simple courage of his convictions and coming forward at the right moment as the spokesman of us all". (Lynchburg News, 3/16.)
1 blames Roosevelt Administration for fostering developments in Russia which have led to present crisis; claims President Truman is risking war in attempt to undo damage.
1 insists Hungary is high on list of democratic vexations, along with Greece and Turkey.
1 contends Democratic Committee Chairman Sullivan should have kept his silence instead of asking GOP Committee to back the President's program; says it gives GOP chairman, "who is frequently inept himself, a chance to show some good judgment".



Miscellaneous phases (Cont'd)

- 1 opposes giving \$400,000,000 in relief since it would be a gift and not a loan; ignores all other phases of problem.
- 1 corrects "mechanical error" in its Sunday editorial which said the President's request means U.S. has abandoned hope in UN; claims that editorial was intended to say commitments under UN Charter made the President's present course inevitable. (Dayton News, 3/17)

308

-000-



THE WHITE HOUSE

WASHINGTON

October 15, 1947

Copy of report was sent to Under
Secretary of State with certain
comments.

HST.

B File

DWIGHT P. GRISWOLD
CHIEF

R. L. COCHRAN
DEPUTY CHIEF

THE AMERICAN MISSION
FOR
AID TO GREECE

ADDRESS:
AMAG
4, W. CHURCHILL ST.
ATHENS, GREECE

~~TOP SECRET~~

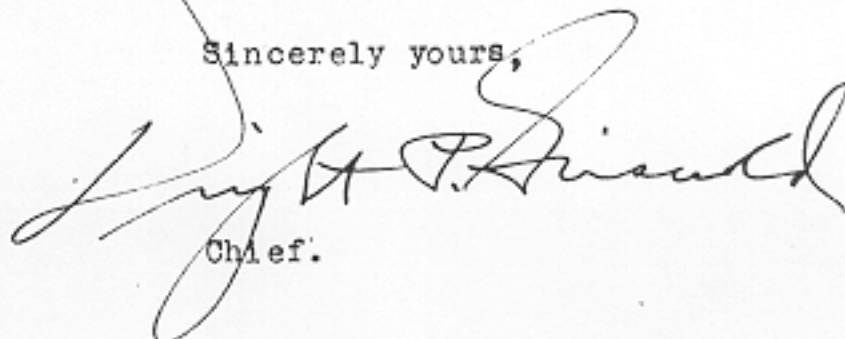
20 September 1947.

Dear Harry:

I enclose herewith an extract from my monthly report on the Greek Mission, it being that part which relates to the recent political crisis in Greece. This report refers briefly to a reported disagreement between Ambassador MacVeagh and myself and I think the Chief will be interested in reading it.

With kind personal regards and all best wishes,
I remain

Sincerely yours,


Chief.

Major General Harry H. Vaughan,
Military Aide to the President,
The White House,
Washington.

DECLASSIFIED
E. O. 11652, Sec. 3(E) and 3(D) or (E)
Dept. of State letter, Aug. 9, 1973
By NLT/A, NARS Date 10-71

~~TOP SECRET~~

B File

October 13, 1947

Memorandum for: Under Secretary of State

From: The President

Attached is a memorandum from Dwight Griswold, which came to me indirectly. I thought you might like to read it. It is rather interesting.

I attached a memorandum on one of the pages, which may interest you.

H. L. T.



Encl.

B File

~~TOP SECRET~~

DECLASSIFIED
E.O. 11652, Sec. 3(1) and 3(2) of (E)
Dept. of State, Aug. 9, 1973
By NLT- , NARS Date 6-26-74

The Political Crisis

The Greek political crisis arose during the latter part of August and carried over into early September when a new cabinet was formed. During the week of August 18 the minority party leaders, Messrs. Venizelos, Papandreu, and Kanellopoulos, informed Prime Minister Maximos that, unless there were changes in the Ministry of War (Mr. Stratos) and the Ministry of Public Order (Mr. Zervas), they would retire from the cabinet. They suggested that Mr. Papandreu be Minister of War and Mr. Kanellopoulos be made Minister of Public Order. When these suggestions were refused by the Populist members of the cabinet on September 23, these three ministers announced their resignations. The Prime Minister went to the King and resigned the same day.

The King, in accordance with the constitution, requested Mr. Tsaldaris, as leader of the largest (Populist) party, to form a cabinet. He made certain efforts to bring Mr. Sophoulis and the Liberal Party into the cabinet. When the King's offer was declined, Mr. Stephanopoulos, leader of the left-wing of the Populist Party, informed the Chief of Mission on the morning of August 25 that Mr. Tsaldaris was attempting to form an extreme rightist cabinet. Such a rightist cabinet would have had the support of the following parties and leaders:

<u>Party</u>	<u>Leader</u>	<u>Number of Deputies</u>
Populist Party	C. Tsaldaris	141
National Liberal	St. Gonatas	32
National Party of Greece	N. Zervas	25
	Total	198

TOP SECRET

B File

~~TOP SECRET~~

Since there are 354 seats in Parliament, these three parties would have had a clear majority.

The Chief of Mission determined to try to stop this combination by attacking it on two fronts. Immediately on August 25 he consulted with Mr. Stephanopoulos. The following is quoted from a summary of that conversation recorded by the Chief of Mission:

I did point out that if a narrow government were established the Mission would have to go slow and watch developments and this would undoubtedly slow up the rehabilitation program and industrial development. I also emphasized the necessity from the Greek viewpoint of having a broad government in smooth operation before the Congressional Committee arrives next month, as further aid will depend on Congressional action, and it will be greatly influenced by the impressions the committee receives on its visit in September.

At noon on the same day, August 25, the Chief of Mission called on Mr. Gonatas. Following is a summary of that meeting.

I received the definite impression that Mr. Tsaldaris had circulated that morning the radio speeches by Mr. Henderson and Mr. McGhee, which (though, of course, prepared in advance) had been made subsequent to the cabinet crisis, and that Mr. Tsaldaris was arguing that these proved the United States Government would lend all-out support to Greece no matter what type of government was established. I also understood Mr. Gonatas to be willing to support Mr. Tsaldaris in the establishment of a narrow government. I urged strongly the broadening of the government and expressed the reasons why the American Government considered that essential.

The reasons expressed to Mr. Gonatas were those described above as expressed to Mr. Stephanopoulos. On Wednesday evening, August 27, the Chief of Mission visited Mr. Tsaldaris at his home and presented the same arguments.

During the course of the next few days the Chief of Mission had several other visits with Greek political leaders

B File

~~TOP SECRET~~

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 3(D) or (E)

Dep. of State letter, Aug. 9, 1973

By NLT, , NARS Date

~~TOP SECRET~~

100-100000-100000
100-100000-100000
100-100000-100000

who requested the opportunity to talk with him. He urged Mr. Stephanopoulos to lead a fight within the Populist Party against the creation of a restricted rightist government. Mr. Stephanopoulos even came to an agreement with the Chief of Mission on certain arguments which he should use. Mr. Stephanopoulos drafted these arguments in English, in the general substance of which the Chief of Mission concurred. In his statement Mr. Stephanopoulos used the word "inadmissible" as applied to the restricted government.

When Mr. Stephanopoulos confronted Mr. Tsaldaris with his arguments and stated they had been approved by the Chief of Mission, Mr. Tsaldaris protested the use of the word "inadmissible." As a result of this protest, Ambassador MacVeagh felt it wise to write a letter to Mr. Tsaldaris which would state that "Governor Griswold tells me that he did not mean to say that the formation now of a more restricted government would be 'inadmissible' but only that it would be inadvisable since it would interfere with the effectiveness of the American Aid Program." Knowing that Mr. Tsaldaris wanted this letter to show his friends that he had the support of American officials, the Chief of Mission questioned whether the letter should be sent. He approved, however, not only because of his confidence in the judgment of Ambassador MacVeagh but also because the letter in fact reiterated the arguments against a restricted government. This letter was sent on August 26. On August 27 the Chief of Mission informed Mr. Stephanopoulos that, while the letter had been sent, all the arguments expressed against the formation,

B File

~~TOP SECRET~~

of a restricted government still applied. This statement was frankly intended to exert economic pressure to achieve a solution of the political crisis.

The inference is clear that the actions of the Chief of Mission were responsible for the fight which Mr. Stephanopoulos made within the Populist Party against the formation of a restricted government and for the refusal of Mr. Gonatas to join Mr. Tsaldaris in the formation of such a government. On August 27, the Daily News Bulletin, issued by the Under Secretariat of State for Press and Information (a Government, or Populist Party, publication) stated:

The leader of the Populist Party, Mr. Tsaldaris, talking to press representatives yesterday on Mr. Gonatas' attitude, stated the following:

Neither I nor the Greek people know what occurred between noon the day before yesterday, when Mr. Gonatas declared that he would support without reserve the Government of the Populist Party, and the evening of the same day, when he declared the contrary. It is evident that during the meeting of the parliamentary members of the party, Mr. Gonatas was influenced by the opinions of certain friends of his.

It should be noted that during yesterday's talks with press representatives, Mr. Gonatas gave the impression that he changed his opinion following a conference he had with Mr. Griswold. This information was published in an evening newspaper.

Although Ambassador MacVeagh disapproved in some respects the actions of the Chief of Mission during these few days in discussing political matters with Greek political leaders, both were attempting to reach the same goal -- a broadened Greek Government. If it had not been for Greek dependence on the American Aid Program, there would have been no club with which

B File

DECLASSIFIED
E. O. 11652, Sec. 3(E) and 3(D) or (F)
Dep. of State letter, Aug. 9, 1973
By NLT- , NARS Date 6-30-75

~~TOP SECRET~~

~~TOP SECRET~~

to force the Greek political leaders into a program of unity. When some of these leaders were made to realize that the spending of American money would be restricted if they went ahead with their partisan plans, they hesitated and withdrew them. An ambassador has no such pressure to exert, and most of the Greek political leaders are too tough to penetrate with reason only.

During the week of August 25, Mr. Tsaldaris discovered that he could not form a permanent restricted government and on August 30 decided to form only a temporary government. Mr. Stephanopoulos declined to enter this cabinet even temporarily, and Mr. Helmis, Populist Minister of Finance, confessed that he would not remain if the government became permanent.

Mr. Loy Henderson of the State Department arrived from Washington at just this time, and during the following week a solution to the crisis was found. On September 6, Mr. Sophoulis, leader of the Liberal Party, became Prime Minister. Mr. Tsaldaris, leader of the Populist Party, is Deputy Prime Minister and Minister of Foreign Affairs. The cabinet is quite equally divided, with the Populists in a slight majority.

Greek public opinion had reacted sharply to the crisis of August 23. For two full weeks Greece was virtually without a government. As far as one is able to judge, the man in the street was uneasy about this situation. It is said that the Army too was uneasy and that there was some fear that this disquiet would express itself openly. The half-hearted announcement of a temporary, all-Populist government midway

B File

~~TOP SECRET~~

DECLASSIFIED
E.O. 1.1.1. (U) and (D) or (U)
D. of State letter, Aug. 9, 1973
By NLT/44 : NARS Date 6/30/75

~~TOP SECRET~~

through the period of tension had a noticeably depressing effect on public opinion, an effect which was accentuated by the highly critical press comment from the United States and Great Britain which indicated that Greece's "stock" had sunk very low in the opinion of friendly nations.

It is the popular understanding in Greece that the crisis was resolved only by vigorous American intervention. The recognition of national danger, the dependence on help from abroad, and the cooperative spirit in which the intervention was offered combined to overcome the normal dislike of outside interference. Greeks as a whole were disgusted with an attitude of "politics as usual"; they saw no hope of decisive leadership from within Greece itself; and they welcomed the assistance they received from American diplomacy in establishing a government based on more than narrow partisan considerations. The final solution of a broad coalition between the Populists and Liberals was not only unexpected but highly welcome.

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

Dep. of State letter, Aug. 9, 1973

By NLT/LL; NARS Date 6-30-75

~~TOP SECRET~~

B File

Note

Both the Ambassador McVeigh and Chief of Mission Griswold seem to be working at cross purposes. It would be correct practice and would tend to avoid Soviet criticism of interference if the Ambassador conducted with the Government of Greece all political discussions.

This would leave the "Chief of Mission" Griswold, the duty of administering the funds allocated to Greece by the Congress.

7 Oct. 1947.

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (F)

Dept. of State letter, Aug. 9, 1973

By NLT: h; NARS Date 6-30-75

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.

DEPARTMENT OF STATE
WASHINGTON



June 29, 1949

In reply refer to U/GT

MEMORANDUM FOR: Mr. William J. Hopkins
Executive Clerk,
The White House.

SUBJECT: Seventh Report to Congress on Assistance to Greece and Turkey

Enclosed is a draft for approval by the President of the Seventh Report to Congress on Assistance to Greece and Turkey for the quarter ended March 31, 1949.

The Department of State desires to avoid the reproduction of this report separately for transmittal to the Congress and initial distribution, as was done in the case of the Fifth and Sixth Reports, and would prefer that these requirements be met with the regular edition to be printed by the Government Printing Office. It will require about two weeks time for the Government Printing Office to make delivery. When the exact date can be determined, you will be advised, so that the President's transmittal date may be set.

Kenneth W. Perry x
Kenneth W. Perry

Reports Officer,
Office, Acting Coordinator for Aid to Greece
and Turkey.

Enclosure:

Draft - Seventh Report to
Congress - Assistance to
Greece and Turkey

B File

CONTENTS

	Page
The President's Letter of Transmittal	
GREEK AID PROGRAM:	
Military Assistance to Greece	1
Greek Army Operations	5
Greek Naval Operations	9
Greek Air Force Operations	10
Guerrilla Situation as of March 31, 1949.	10
Greek Military Training	15
Procurement	16
Economic Assistance	18
Organization of the American Mission for Aid to Greece. .	19
TURKISH AID PROGRAM:	
Military Assistance to Turkey	20
Turkish Army	22
Turkish Navy	24
Turkish Air Force	27
Road Construction Program	29
Procurement	30
Organization of the American Mission for Aid to Turkey. .	31
APPENDIX	
A. TABLES: GREECE	
I Status of Appropriation	33
II Rate of Encumbrance of Funds	35
III Value of Deliveries	37
IV Economic Aid	39
B. TABLES: TURKEY	
V Status of Appropriation	41
VI Rate of Encumbrance of Funds	43
VII Value of Deliveries	45

B File

THE PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

Transmitted herewith is the seventh quarterly report on United States military assistance to Greece and Turkey. This report covers the period from January 1, 1949, to March 31, 1949. Military assistance to Greece and Turkey was inaugurated under the authority of Public Law 75, 80th Congress, and was continued under the authority of Title III of Public Law 472, 80th Congress, known as the Greek-Turkish Assistance Act of 1948. Responsibility for United States assistance in the economic rehabilitation of Greece begun under Public Law 75 was transferred to the Economic Cooperation Administration on July 1, 1948, pursuant to Public Law 472, Title I.

THE WHITE HOUSE

B_File

GREEK AID PROGRAM

Military Assistance to Greece

During the period from January - March 1949, the Greek Government, with United States military assistance, made solid progress in its efforts to restore internal security in Greece. The results of improved Greek leadership, of accumulating United States military supplies, and of months of continuous effort to improve the training and organization of the Greek armed forces began to manifest themselves. The directives and orders from the Greek High Command demonstrated increased determination, decisiveness and aggressiveness. At the end of the period under review the Greek armed forces had achieved the highest state of efficiency since 1941 when the Greek forces were overwhelmed by the Nazis after having rolled back Mussolini's invasion of Greece.

With increasing military effectiveness and growing confidence in the Government, there has been a marked improvement in the morale of the Greek people. The psychological atmosphere has been more favorable to the prosecution of the war than at any period since the beginning of guerrilla hostilities in 1946. This auspicious military-psychological situation has continued to manifest itself during the second quarter of the calendar year. As a result of these factors a subsequent slackening of inflationary pressures has occurred and the upward trend in commodity prices has been arrested. Nevertheless, the financial burden on the Greek Government of meeting the internal costs of the Greek military establishment and the expense of caring for almost 700,000 refugees

B File

- 2 -

makes the Greek Government entirely dependent upon continued United States assistance to provide the military equipment required by her forces.

Beginning in January 1949 there were growing indications that the strategists of the Communist-led guerrilla movement were considering a change in their immediate objectives in Greece. In previous years the guerrilla movement utilized the winter months, when Greek Army offensive activity is restricted, for the purpose of reinforcing its strength and organization. During the period under review, the guerrillas not only failed to increase their strength, but suffered casualties considerably in excess of the number which they were able to abduct or recruit. Dogged Greek National resistance, aided by United States military equipment and economic assistance, has succeeded in slowly reducing guerrilla capabilities to achieve dominance by military force. As a result, the possibility of the political, economic or military collapse of Greece is now more remote than at any time since the liberation of Greece in 1944.

The guerrilla effort has suffered from the support which the KKE (Greek Communist Party) has provided to NOF (Slavo-Macedonian National Liberation Front) in its announced objective of establishing an "independent" Macedonia. The plan contemplates a separate Macedonian state, within a federation of Communist-Balkan states under Cominform leadership. This Macedonian state would be created from territories now belonging to Greece, Bulgaria and Yugoslavia. The KKE-NOF decision to establish an independent Macedonia created wide consternation among the

B File

Greeks, who saw clearly the implications of activities by international Communism in reviving and inflaming the separatist ambitions of a small minority of Slavo-Macedonians. Slavo-Macedonian Communists were given representation in the Greek guerrilla leadership with assurances that their aspirations with respect to Macedonia would be fully realized. However, the embarrassment which the KKE suffered as a result of its position on the Macedonian issue has exercised a strongly disruptive effect upon the Party membership. Consequently, the KKE is attempting to avoid acknowledgment of its commitment to assist in detaching Greek Macedonia from Greece, but with patent lack of conviction.

Despite the fact that assistance to the guerrillas continued to be afforded by Albania, Bulgaria and Yugoslavia, the guerrillas have found it desirable to revive a series of "peace proposals", to compensate for their decreasing military effectiveness except in certain areas along the northern frontier of Greece. These proposals were repeated in various forms during the period under review and have continued thereafter with varying degrees of emphasis. Recently the radios and newspapers of the U.S.S.R. have given loud support to a solution of the Greek problem along the lines proposed by the guerrillas.

The Greek people have scrutinized the guerrilla "peace proposals" for evidence of sincerity. There has been no indication that the foreign assistance, without which the guerrilla movement could not survive, would be shut off. If anything, military supplies and assistance to the guerrillas from across Greece's northern border increased during

B File

- 4 -

the period under review. In May 1949 the Greek Government substantially accepted proposals developed by the President of the United Nations General Assembly, Dr. Herbert Evatt of Australia, for the renewal of diplomatic relations with Greece's northern neighbors and the establishment of mixed commissions for the prevention of frontier incidents. Albania, Bulgaria and Yugoslavia failed even to reply to these proposals.

Moreover, the Greek people have vividly in mind the fact that the hard core of the present Communist-led guerrilla movement is comprised of rebels who withdrew into the mountains of northern Greece and into Albania, Bulgaria and Yugoslavia, notwithstanding the amnesty provisions of the Varkiza Agreement which concluded the fighting in the unsuccessful civil war of the winter 1944-45 when the Communists attempted forcibly to seize control of the Greek Government. In a document published in December 1948, the leader of the Greek Communist Party acknowledged that acceptance of the Varkiza Agreement was merely a "tactical" maneuver to prevent the elimination of the Greek Communist forces pending a renewed attempt to seize power.

The Greek people have endured systematic devastation of their already half-ruined country by guerrilla forces cynically purporting to act in the name of democracy and of humanity. Between 20,000 - 30,000 Greek children have been taken out of the country and have not been returned. The Greek people know from tragic experience that a Communist bid for power is calculating, indefatigable and without compassion. The Greeks want peace and need peace. They know, however, that peace can come only when the guerrilla leadership is overthrown or renounces its

B File

- 5 -

allegiance to international Communism and is content to work peacefully for the reconstruction and rehabilitation of Greece.

Pending such time as Greece is secure within its borders and is permitted to devote its full energies to rebuilding its shattered country, Greece continues to rely upon the courage of its people, the assistance provided by the United States and upon the moral support of the United Nations. Despite the almost intolerable provocations which Communist aggression employs, Greece has maintained the essentials of a democratic state. Greece has earned the right to the continuing moral and material support of the free nations of the world.

GREEK ARMY OPERATIONS - January 1 to March 31, 1949.

The most important accomplishment of the Greek armed forces during the period under review was the virtual elimination of guerrilla activity in the Peloponnesus. As a result, this area, inhabited by nearly 1,000,000 people, has been made safe for commerce, travel and renewed reconstruction activity.

The operations in the Peloponnesus which started on December 19, 1948, and continued through the quarter under review destroyed the guerrillas in the area as an effective combat force. Although guerrillas operating in the Peloponnesus faced a more difficult task in obtaining necessary arms and ammunition than those operating in northern border areas of Greece, the results of improved GNA tactics and increased efficiency flowing from careful training were obvious and promise well for future operations. During the period December 19, 1948, to January 6,

B File

- 6 -

1949, about 4,000 suspected civilian guerrilla collaborators were reported to have been arrested and taken into camps for screening. By mid-January sabotage and recruiting by guerrilla forces had practically ceased in this area. These arrests plus the capture or surrender of approximately 1,500 guerrilla active underground personnel by late February broke the guerrilla intelligence and supply system. Aggressive Greek Army search and pursuit actions continued into mountain hideouts. The major operation in the Peloponnesus was considered to have been successfully concluded by the end of March.

The total casualties as reported by the Greek General Staff for the period December 19, 1948, to March 31, 1948, from the operations in the Peloponnesus were:

GREEK ARMY		GUERRILLA	
<i>Killed in Action</i>		<i>Killed in Action</i>	
KIA	58	KIA	1,686
Wounded	175	Captured	1,722
Missing	<u>2</u>	Surrendered	<u>1,104</u>
Total	235	Total	4,512 *

* The above guerrilla casualty figures do not include a total of 1,585 guerrilla active underground personnel who were captured or who surrendered in the Peloponnesus.

The most noteworthy feature in the guerrilla tactics during the quarter under review was the continuation of the large-scale guerrilla attacks against centers of urban population which had commenced in December. Since guerrilla strategy is designed to defeat the Marshall Plan and to discredit the Greek Government, disruption of the economic

B File

life of the larger communities presents an effective method of accomplishing these aims. This technique was successfully employed in devastating attacks on the towns of Naoussa and Karpenision in January. However, since February 11, when a strong guerrilla attack against Florina was repulsed with terrible guerrilla losses, the guerrillas have been unable to seize a single important town.

The first of the large-scale guerrilla attacks during this period occurred on January 10 at Edessa, where, however, the guerrillas failed in their attempt to penetrate into the town. The following day a guerrilla force estimated at 1,800 attacked and overran the defenses of the town of Naoussa where they remained in control until January 15. Between January 12 - 15, 1949, specially organized guerrilla teams in Naoussa destroyed 6 textile factories, 6 small wool-processing workshops, the town hydro-electric plant, a brick factory, most of the public buildings and the State hospital. Nearly all of the shops in town were looted and smashed while execution squads killed the mayor, a number of local government officials and known anti-Communists. Guerrilla recruiting parties moved 600 civilians out of the town prior to the withdrawal of the main guerrilla force and a levy of currency and gold was collected. Guerrilla propagandists plastered the town with posters, made speeches, and passed out leaflets in their efforts to "enlighten" the populace against the dangers of remaining loyal to the Greek Government and of cooperating with the "Anglo-American imperialists".

On January 20, 1949, the garrison of local defense troops in the town of Karpenision were surprised and overcome. The guerrillas occupied Karpenision for 16 days during which time they burned all public buildings, burned the military hospital (2 of 97 patients escaped) and recruited almost all men in the town between the ages of 15 and 40 years. The total of recruits reached 1,300 and an additional 500 hostages were taken. All reconstruction works, warehouses and equipment were destroyed by fire, the shops were looted and many public officials were killed. In addition to the normal supplies of food and clothing for the civilian and refugee population and GNA garrison, a large amount of relief supplies had been brought in shortly before the attack. These supplies consisted of 54,660 okas of flour, 806 okas of powdered milk, 480 cans of herrings, 11,478 cans of meat and potatoes, 24,960 cans of evaporated milk and a quantity of medical supplies. These supplies were either carried off or destroyed by the guerrillas. The recruited civilians and looted supplies were evacuated well in advance of the withdrawal of the main body of guerrillas which began February 5. The Greek Army commenced pursuit of the formations but cold and heavy snow in the mountains presented severe handicaps to both National and guerrilla forces. An estimated 4,800 guerrillas were early involved in the guerrilla retreat from Karpenision as other bands assisted in attempts to open escape routes. The Greek Air Force was of material assistance to the Greek Army in maintaining continuous pursuit of the guerrillas. By late March, rain and melting snow had swollen the rivers in the area, making them formidable obstacles. On the night of March 28, a force of some 1,400 guerrillas which had been pocketed on the

swollen Akheloos River escaped to the east side and dispersed. Nevertheless, as a result of these operations the guerrillas suffered an estimated 2,400 casualties, excluding wounded.

Continuing this series of actions against urban centers the guerrillas mounted an attack on February 11 against the town of Florina, which is located in Greek Macedonia near the intersection of the Greek, Albanian and Yugoslav frontiers. Prior to the attack the guerrillas poured 1,500 rounds of artillery, mortar and small arms fire into the town. However, a combination of heavy Greek Army mortar fire and well-executed Greek Army counterattacks drove the guerrillas back to their starting lines. The heavy casualties inflicted upon the guerrillas forced them to abandon the attack and to return to their stronghold in the Vitsi mountains.

In the Kerdyllia Mountain area of central Macedonia region an operation against a guerrilla brigade over an eleven-day period in early March caused an estimated 90% of casualties to the brigade and was a severe blow to guerrilla activity in this area.

GREEK NAVAL OPERATIONS

The Greek Navy during this period was particularly engaged in providing support to the military operations in the Peloponnesus and in maintaining a sea blockade of the Peloponnesus to prevent military supplies from reaching the guerrillas by means of small boats. The operations of the Greek Navy included continued mine-sweeping work, coastal

patrols, movement of troops and materiel and fire support of ground action in coastal areas.

GREEK AIR FORCE OPERATIONS

The Greek Air Force continued to perform reconnaissance and defensive missions both against targets in close support of the ground forces and also against guerrilla rear area installations. Food, supplies and mail drops were made to snowbound for isolated troop units and the air evacuation of wounded was accomplished from fields available. Greek Air Force operations during the quarter were an important factor in many successful actions against the guerrillas. The average daily sortie rate for the Greek Air Force was 27 for January, 34 for February, and 30 for March.

GUERRILLA SITUATION AS OF MARCH 31, 1949

At the end of the period under review there was evidence that as guerrilla manpower difficulties increased assistance to the guerrillas being introduced into the Greek frontier areas multiplied in volume with emphasis on heavier equipment. By far the greater part of all supplies, equipment and weapons used by the guerrillas were being supplied by Albania, although Bulgaria continued actively to supply and assist guerrilla operations, and Yugoslav territory continued to be used by the guerrillas. Representatives of the United Nations Special Committee on the Balkans have reported the movement of motor vehicle convoys in Albania up to the Greek border in order to provide logistical support to

the guerrillas. An idea of the volume of foreign logistic support to the guerrillas may be derived from the fact that more than 35,000 rounds of high explosive artillery ammunition have been expended by the guerrillas since November 1947. The guerrilla concentration in the Vitsi area, which is strategically located in Greece contiguous to the junction of the Albanian and Yugoslav borders, has been generously supplied with artillery weapons which include 105 mm guns and possibly guns of larger calibre. Ironically, despite the volume of logistic support reaching the guerrillas from Albania, careful efforts have been made to obliterate markings which reveal the origin of these items. In this connection serial numbers on small arms and artillery markings on shells have been removed in many instances.

At the end of March it appeared that Albanian territory and resources would be used to enable the guerrillas to reenter the Grammos Mountain area from which they had been expelled in August 1948. As the operation developed, it became clear that guerrilla tactics were designed to inflict maximum casualties on the Greek Army, to reestablish an operational base and maintain communication routes into central Greece, to disrupt Greek Army plans for a spring offensive, and to exploit any success for guerrilla morale and propaganda purposes.

Guerrilla units in the Vitsi area moved along the Albanian border to the Grammos area, while other guerrilla units from Vitsi moved through Albania by truck and entered Grammos. It is estimated that in the course of the guerrilla operations to reoccupy the Grammos more than 3,000 guerrilla reinforcements, including 1,000 women, moved from Albania into the

Vitsi area. Supply dumps were established in Albania in convenient locations from which supplies and reinforcements were pushed across the border into Greece in support of the attacking guerrillas. Although the guerrillas reoccupied parts of the Grammos, heavy losses were incurred and the operation fell far short of recovering the entire area in which they were furnished last summer.

During January, February and March 1949, guerrilla casualties were reported as follows:

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Quarter totals</u>
Killed in action	1,375	1,846	1,894	5,115
Captured	657	1,264	2,219	4,140
Surrendered	<u>931</u>	<u>791</u>	<u>1,263</u>	<u>2,985</u>
Totals	2,963	3,901	5,376	12,240

It should be noted that the figures cited above do not include guerrillas wounded. Although total guerrilla casualty figures of more than 12,000 for the quarter produced an over-all decrease in the number of guerrillas active in Greece at the end of the quarter, it is evident that they were able to replace most of their losses by the use of available reserves in countries north of the border and by the forced recruiting of approximately 3,500 civilians within Greece. At the end of March 1949, more than 76,000 civilians had been recruited, most of them through terror.

An indication of the deteriorating position of the guerrillas may be found in the comparison between the strength of the guerrilla forces, estimated at 19,830 on March 31, 1949, as compared with an estimated strength of 26,000 on April 1, 1948. During the first three months of 1947 and 1948 the guerrillas devoted themselves to augmenting their strength and

- 13 -

consolidating their organization. In 1948, for example, between the estimated guerrilla strength increased from 21,500 in January 1948, to 26,000 in March 1948 - an increase after casualties of 4,500. During the period under review the guerrillas not only failed to reinforce their organization in anticipation of increased activity during the spring and summer, but on the contrary suffered a net loss estimated at 3,000.

A summary of casualties resulting from guerrilla operations during the period June 1946 to March 1949 was prepared by the Greek General Staff as follows:

<u>Greek Army</u>		<u>Guerrillas</u>		<u>Civilians</u>	
Killed	10,927	Killed	28,992	Executed by guerrillas	3,516
Wounded	23,251	Surrendered	27,931	Killed by mines	731
Missing	<u>3,756</u>	Captured	<u>13,105</u>		
Totals	37,934		70,028*		<u>4,247</u>

Casualty figures cited above show that in order to maintain an average guerrilla strength of 20,000, it has been necessary to replace the entire force three and one-half times in the past three years. However, more recent reports as of the early part of June 1949 indicate that guerrilla strength has been reduced to the lowest figure since October 1947 and provide strong evidence that the guerrillas are encountering increasing difficulty in obtaining replacements to meet their mounting losses. Surrenders are increasing and an increasing percentage of the guerrilla forces are women - conservatively estimated to comprise 20-25 percent of the present forces.

* No guerrilla wounded reported.

B E I I

During 1948 a program of arming civilians for local defense was initiated in response to requests made by a great number of refugees for self protection to enable them to return to their former homes in isolated villages. Continuing efforts are being made to encourage the return of refugees which will not only relieve congestion in urban areas where they live on a marginal basis, but will also contribute materially to the economic recovery by reducing government expenditures for maintenance and by restoring these people into protective fields. This program produced favorable results during the quarter under review and additional rifles will be issued to capable and reliable citizens under the careful supervision of the GNA. These civilians, organized in each locality so as to become a defensive center of resistance, thus freed for offensive action the GNA troops which were formerly deployed in these areas on static missions.

In most areas of the Peloponnesus and in a few other parts of Greece, refugees were beginning to move back to their homes, some voluntarily and many others by order of the government. These refugees present a major problem for, without substantial aid, they would be completely destitute when they reach their homes. The areas occupied longest by the guerrillas were robbed so often of movable goods that they no longer possess the economic resources to replenish stocks of food and other items. The Greek Government has realized that early restoration of the livelihood of the people is essential to economic and political stability, and has announced a new relief program which contemplates supplying the refugees with seed, a free ration of food for three months, agricultural tools, and money

with which to buy kitchen utensils. The problem of refugees remains one of tremendous proportions.

GREEK MILITARY TRAINING

Many of the Greek soldiers who fought in the 1948 campaign were old, tired and inefficient. The National Defense Corps (local defense units) was initially made up entirely of old reservists. Prior to the spring of 1948 there was no effective system for obtaining necessary replacements and no satisfactory system of individual or unit training. In order to take drastic and immediate corrective action at that time it would have been necessary to have abandoned all major operations against the bandits which were projected during the summer of 1948. Because such action was impossible, operations were carried out which resulted in only partial and inconclusive success. Since July 1948, however, the training section of JUSMAPG (Joint United States Military Advisory and Planning Group) has been working in conjunction with the British Military Mission in reorienting and revitalizing the Greek training program. As a result of the efforts JUSMAPG and the British military mission have:

- (1) Revised the school program of the Greek Army.
- (2) Introduced United States methods and doctrines.
- (3) Supervised retraining of all elements of the Greek Army divisions as they could be spared from operations.
- (4) Instructed and supervised training in American weapons in certain Greek Army units equipped with these weapons.

R E

PROCUREMENT

The American program for military assistance to Greece followed a British aid program under which the British organized, trained, fed, and equipped with modern equipment the Greek Army, the Greek Air Force, the Greek Navy, and the Greek Gendarmerie. American military assistance has provided rations, forage, clothing, ammunition, petroleum, major items of equipment including both animal and vehicular transport, weapons of all types, signal equipment of all types, aircraft of fighter, reconnaissance and cargo types, and the necessary maintenance items to support properly the equipment and supplies furnished by both the American and British aid programs. Maintenance equipment and supplies have in the past and will continue to absorb a large proportion of American military aid funds.

Logistical support of the Greek armed forces has been maintained at a satisfactory rate. In many categories, deliveries in Greece are current with supply requests. More accurate accounting and better distribution of supplies is being achieved through revision of the Greek military system of receipt, storage and issue.

Deliveries of military assistance items, including services performed, amounted to \$39,000,000 for the current quarter. The principal types of material were quartermaster supplies, largely consisting of food, ordnance materiel, and maintenance items from the United Kingdom. A recapitulation of these major items is as follows:

Quartermaster	\$ 11,640,000
Ordnance	10,570,000
United Kingdom	8,060,000
Naval logistic support	2,430,000
All other	<u>6,300,000</u>

Total	\$ 39,000,000
-------	---------------

These deliveries aggregated 66,000 weight tons and raised the total tonnage received as of March 31, 1949, to 452,790 weight tons on 258 ships from the United States and an estimated 52,583 weight tons on 114 ships from the United Kingdom and the Middle East, or a total estimated tonnage of 505,373 on 372 ships. Shortages and damage to cargoes have proved to be substantially lower than normal experience on commercial shipments and have amounted to only a fraction of one percent.

The difference between procurement initiated and deliveries is largely the value of goods on order and in transit. The previous report indicated that this difference is inclined to increase as a wider range of items, which were formerly immediately available from stocks, must now be ordered from new production. This difference between procurement initiated and actual deliveries increased from \$50,008,000 on December 31, 1948, to \$53,078,000 on March 31, 1949. However, this differential is less at the present time than it has been at times in the past, as may be seen in the accompanying chart.

As of March 31, 1949, the distribution of funds by service categories for military assistance to the Greek armed forces was as follows:

(Insert table)

B F I

GREECE

(Thousands of dollars)

Source of Supply	Authorized for procurement	Shipments, transfers and services rendered
Department of the Army		
Chemical Corps	\$ 129	\$ 129
Corps of Engineers	6,718	3,132
Medical Department	1,881	1,662
Ordnance Department	67,760	57,141
Quartermaster Corps	108,355	94,071
Signal Corps	7,991	6,036
United Kingdom procurement ¹	65,260	59,429
Overseas commands shipments	1,747	1,747
Ocean transportation	18,593	14,857
Operating and administrative expenses	5,363	4,572
Mission supplies	<u>2,516</u>	<u>2,516</u>
Total Army	286,313	245,292
Department of the Air Force ²	4,197	1,302
Department of the Navy	19,796	12,791
Other Federal Agencies	<u>7,751</u>	<u>5,524</u>
Total all sources	318,057	264,979

1 Since the Greek armed forces were formerly supplied with British equipment, replacement and maintenance items are procured from United Kingdom sources.

2 Represents procurement of items peculiar to the United States Air Force and does not indicate the extent of the program in support of the Greek Air Force.

ECONOMIC ASSISTANCE

The current program for assistance to Greece and Turkey under the authority of Public Law 472, 80th Congress, provides goods and services in support of the Greek and Turkish armed forces only. Public Law 75, 80th Congress, which initiated military assistance to Greece and Turkey also provided for economic assistance to Greece. The funds committed prior to June 30, 1948, under the authority of Public Law 75 for economic assistance such as for the purchase of food, fuel, steel, medical supplies, other consumer goods and materials for agriculture and industry, and a number of heavy reconstruction projects, currently total \$121,400,000. On July 1, 1948, the Economic Cooperation Administration assumed responsibility for carrying out the program of economic aid to Greece and no new procurement of items for the Greek civilian economy was undertaken after June 30, 1948, with funds which had been authorized by Public Law 75. However, orders placed prior to this date remained in force and the Economic Cooperation Administration integrated the schedule of undelivered goods into its program. Deliveries were largely completed by the end of 1948, but a few articles, which had to be manufactured rather than obtained from inventories, still remain to be delivered and some transportation charges have yet to be settled. The value of deliveries and services amounted to \$119,500,000 at the end of March 1949. An effort is being made to close the accounts established in connection with furnishing economic aid to Greece and commitments amounting to less than \$2,000,000 remain to be liquidated. Table IV of Appendix shows the status of the obligations and deliveries for economic purposes.

ORGANIZATION OF AMERICAN MISSION FOR AID TO GREECE

Henry F. Grady, the United States Ambassador to Greece, has continued to act as Chief of the American Mission for Aid to Greece. In his capacity as Chief of the American Mission for Aid to Greece, he is assisted by a small personal and administrative staff of civilians. Most of these civilians are integrated into the Joint Administrative Services, which was formed to meet the administrative requirements of the United States Embassy, the Economic Cooperation Administration Mission to Greece, and the American Mission for Aid to Greece.

The procurement of supplies for the Greek armed forces is directly administered by a United States Army Group, a United States Navy Group, and a United States Air Force Group. The Joint United States Military Advisory and Planning Group (JUSMAPG) which advises the Greek General Staff in operational matters is commanded by Lieutenant General James A. Van Fleet.

As of March 31, 1949, the total number of United States personnel in these groups was as follows:

	<u>State</u>	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Total</u>
Officers	0	169	18	21	208
Enlisted men	0	189	22	21	232
Civilians	34	34	0	0	68
Totals	34	392	40	42	508

Military Assistance to Turkey

The area of the Near and Middle East with its rich natural resources, strategic location and vital communication routes is inhabited by almost 100 million people. These people have entered into a dynamic phase of their history and they are striving to achieve, within a relatively short period of time, some of the social, economic and political progress which in Europe and the Western Hemisphere required decades and sometimes centuries to effect. Any feasible plan to maintain world peace must provide for the security of this area and must insure the natural and orderly development of the nations in it. Historic Soviet aspirations and aggressive Communist propaganda seek to exploit this volatile situation and constitute a threat to democratic evolution in this region.

Among the nations of this area, the Turkish Republic has, for a variety of reasons, made outstanding progress in its development and is consequently making a significant contribution to the stability and security of the Near and Middle East. Since the establishment of the Turkish Republic in 1923, Turkish leaders have consistently advanced a program of democratization and economic development. Since 1946 Turkey has developed a multi-party system, and has liberalized legislation with respect to electoral procedures and freedom of the press. Ten percent of the Turkish budget is devoted to education. However, the basic strength of the Turkish Republic rests on the unity of its people and on their determination to resist at all costs any aggression against their country.

In March 1945, when World War II had been virtually won, the U.S.S.R. denounced its 1925 treaty of friendship with Turkey. It followed this by demanding special privileges in the control and defense of the Dardenelles and annexation of certain strategic sections in north-eastern Turkey. A furious campaign of intimidation was launched against Turkey by the Soviet press and radio. In this situation Turkey maintained her armed forces at their wartime mobilization strength and stood fast. Soviet propaganda attacks against Turkey have continued with unabated virulence.

When the United Kingdom was no longer able to continue the military assistance which it had been providing to Turkey, Turkey turned to the United States. On March 12, 1947 the President requested the Congress to provide such aid to Turkey as well as the military and economic assistance required by Greece. The strengthening of the Turkish armed forces with modern weapons is essential if Turkey is to continue its stabilizing role in the Near and Middle East and the Turkish people realize that this equipment could not be obtained except through United States assistance. Despite substantial United States assistance in training and in providing capital items of military equipment, Turkish expenditures allocated for the maintenance of Turkey's armed forces total approximately 40 percent of the budget for the calendar year 1949.

Nevertheless, the Turkish people realize that peace and security cannot rest upon military preparedness alone, particularly in a small nation. It has been a basic tenet of Turkish policy that the security of small nations lies ultimately in the maintenance of a rule of law among nations.

The Turkish record for international cooperation both in the League of Nations and in the United Nations is convincing proof of Turkish sincerity in this regard.

The Turkish armed forces will require additional United States assistance to continue their progress toward a desirable standard of effectiveness. Although public attention has recently been focused upon the efforts of the Atlantic Pact nations to devise an effective system of collective security, the continuing interest of the United States in maintaining the integrity and independence of Turkey has in no way diminished. On March 18, 1949 the Secretary of State, in speaking with reference to the Atlantic Pact, reiterated, with the authority of the President, the interest of the United States in the security of Greece, Turkey and Iran and made clear that this interest will continue.

Turkish Army

As of March 31, 1949, the United States Army Group has offered almost one hundred courses at 10 Turkish service schools. Under this school training program, several thousand Turkish Army personnel alone had received, or were receiving, American technical and tactical training.

Until the beginning of this year, courses presented by United States Army Group personnel at Turkish service schools were confined to technical subjects. It was considered necessary, however, to broaden the instructional program to include courses in tactics for Turkish officers in order that more effective use of American Aid equipment might be realized. Consequently, tactical instruction both at the branch service schools and at

the Turkish Staff College was initiated during the first quarter of 1949.

In conjunction with the training of the Turkish officer and enlisted men in Turkey by Army Group personnel, a school training program in the United States is of great assistance in ensuring adequate utilization of the American materiel being furnished to the Turkish Army. The training is also designed to keep the Turkish Army staffed with officers and specialists conversant with problems of modern warfare. Those Turkish officers who complete their training in American schools are initially assigned as instructors in Turkish service schools. At the end of the period under review, 49 Turkish students had been graduated from United States Army service schools in the United States and 43 were still undergoing training in the United States.

During the first quarter of 1949, charts showing the extent of modernization of the Turkish Army units as a result of the United States assistance program were prepared for the Turkish General Staff to assist in mobilization planning and assignment of Aid equipment.

Progress in developing an efficient ordnance supply system for the Turkish Army has been steady. Under the guidance of United States Army Group ordnance personnel at the depots, Turkish officers are receiving training comparable to that being given in supply courses last year and it is expected that they will be able shortly to assume direction of handling American supplies without guidance. Progress is also being made in modernizing the Turkish ammunition depot system. At the request of the Turkish General Staff, the United States Army Group inaugurated a series of three courses for officers and enlisted men to provide a definite

system of ammunition storage, renovation, and distribution. The first of these courses ended March 31.

All schools supervised by United States Army Group personnel are now using the training films of the Central Film Library at Etlik Depot. Two Turkish Army personnel were selected by the Turkish General Staff this month for training in the operation and maintenance of training films. Upon completion of their training, the library will be turned over to the Turkish General Staff for operation.

In an effort to reduce the language obstacle of training groups, the American staff at the Artillery School has initiated work on a dictionary of military terms providing needed standardization. The completion of this project should do much to increase the uniformity of Turkish words for modern terms.

The Turkish press has displayed an increased interest in Aid Mission activities. The number of photographs of the United States Army Group school training activities which appeared during March 1949 in Turkish newspapers and periodicals was twice that of any previous month. Pictures showing the inauguration of American instruction at the Turkish Staff College appeared in most of the newspapers in the larger cities.

Turkish Navy

The United States Navy has approved the transfer to the Turkish Navy of two United States destroyers, the U.S.S. Lansdowne and the

U.S.S. Lardner, in addition to the two destroyers already transferred. During the period under review, Turkish Navy officers and enlisted men who will comprise the crews of these destroyers have arrived in the United States for training purposes. Upon completion of reactivation, these vessels will be transferred to the Turkish Navy. It is planned that the destroyers and their Turkish crews will have three weeks training in the Atlantic Fleet Training Command before their voyage to Turkey.

Three 600-kilowatt Deisel generators have arrived in Turkey to provide the Golcuk Naval Shipyard with adequate electrical power. It is planned to modernize the Golcuk Shipyard by replacing old-line shaft belt drives with modern drives for old tools, such as lathes, planers, drill presses, etc.

One of the primary needs of the Turkish Navy is electronics technical personnel. The United States Naval Group in Turkey is working to satisfy this need. The Turkish language has few modern electronic terms and, therefore, the formulation of an electronics vocabulary was required. Difficulties were experienced with obtaining interpreters with electrical knowledge and training them in American instructional methods. However, United States naval authorities believe that if the present progress is maintained graduates of the electronics courses being presented by the United States Naval Group will compare favorably with the graduates of the United States Naval Electronics School, within the limits of the equipment studied.

An officer of the Bureau of Ships of the United States Navy was on temporary duty with the United States Naval Group during February and March to advise on shipyard materiel matters. He visited the Golcuk Shipyard and other Turkish Navy installations and submitted recommendations for the consideration of United States and Turkish naval authorities. United States Navy personnel from the Portsmouth and Philadelphia shipyards have arrived in Turkey for several months temporary duty to advise in training Turkish personnel in the overhaul of former United States submarines.

In an effort to improve the quality of training aids for Turkish Naval personnel, a project has been approved to provide Turkish sound tracks for an extensive number of Naval training films. It is not expected, however, that this project will be complete for almost a year.

By decommissioning the older and inefficient vessels and by replacing them with more modern and efficient vessels, the Turkish Navy has achieved a greater combat effectiveness with less expenditure of men and materiel and with a consequent decrease in the drain on the Turkish economy. Under the training of American instructors in the United States and Turkey, Turkish naval personnel are learning to maintain and operate the vessels of the Turkish Navy with greater efficiency. The willingness and capacity of the Turkish naval personnel to absorb training and the enthusiastic reception accorded the transferred American vessels are indicative of their determination to raise the efficiency of the Turkish Navy.

Progress made in the naval portion of the Aid Program has in general been very good, commensurate with the funds appropriated and with the large

amount of effort expended by the United States Naval Group. United States naval authorities consider that Turkish progress under the Aid Program compares favorably with the progress which might be expected of any group of United States officers and men working under similar conditions.

Turkish Air Force

Visits by the Chief of the United States Air Force Group to Bursa and Balikesir during the period under review revealed commendable results in a fighter pilot training programs at these bases. Fighter pilot training continues also at Izmir.

Maintenance personnel from the Air Force Group were active in aiding Turkish Air personnel check ex-American B-26 bombers which had not been flown during the winter months. The bombers were in good condition, in general, despite the non-operational winter.

Turkish pilots continue to receive high altitude training in the low-pressure chamber at Eskisehir. American-trained Turkish medical personnel supervised this training completely in February with highly satisfactory results. This was the first month that this training was completely supervised by Turkish personnel. United States Air Force Group personnel had previously supervised the installation of equipment and setting up of the program.

An Air Intelligence School was opened March 1 with a four months course for air intelligence instructors. The course covers such subjects as recognition of aircraft, ground vehicles, and Navy vessels; maps and mapping; and general air intelligence organization.

The Basic Supply School at Etimesgut has been turned over completely to Turkish administrators. Two classes have graduated from the school since the transfer of authority. The first class of the Advanced Supply School started March 7 at Kayseri Air Depot, an ideal location for the school since classroom instruction can be supplemented by on-the-job training at the nearby field. The system of on-the-job training is carried out at other Turkish airfields as well.

Translation of material from English into Turkish has been a major problem for the Air Force Group since the beginning of the Aid Program. There remains a huge job of translation of reference material such as training manuals, technical orders, and field manuals. English-speaking Turkish Air Force officers have done a substantial amount of translation, and, in addition, the Turkish Air Force has set up a translation section at one of the air bases to translate English reference material into Turkish.

A school for ground control approach mechanics was opened March 15, and refresher training on radio maintenance started March 21 under Air Force Group supervision. Preparations are now under way to get equipment to the communications school to be located at Izmir.

Turkish Air Force pilots were given annual physical examinations starting in February. These examinations, similar to those given United States Air Force pilots, are the first such examinations given to Turkish pilots and were conducted by American-trained medical personnel.

Road Construction Program

The United States Public Roads Administration Group, whose purpose is to advise and assist the Turkish Government in the design and construction of highways, has been in Turkey since December 1947. During the period under review, construction and field survey operations were restricted by cold weather and some of the winter's deepest snows, followed by rain late in March. Snow plows assigned to various important routes have operated with fair success, although careful supervision of snow plow operation by American mechanics was required.

The erection and equipping of the Ankara equipment repair shop is proceeding satisfactorily. Work on erection of the repair shops at Elazig and Ankara is nearing completion and some shop machinery has been installed. At the Iskenderun Depot, a group of topside mechanical engineers is being trained on the maintenance and operation of trucks, motor graders, tractors with bulldozers and scrapers, rock crushers, and compressors. The Road Group reports that the trainees are greatly interested and are applying themselves to the training in a most satisfactory manner.

The Turkish Department of Roads and Bridges has arranged to send five Turkish engineers to the United States in April to attend a four months course in highway affairs, which is to be conducted by the Public Roads Administration in Washington, D. C. This course, which includes such studies as highway administration, construction, maintenance, and operation, is of international importance, and Turkey's response to the

invitation to attend is particularly gratifying. Two other engineers of the Turkish Department of Roads and Bridges are scheduled to study concrete laboratory techniques and bituminous laboratory techniques in the Washington laboratories of the Public Road Administration in anticipation of placing into operation a fully-equipped laboratory upon their return to Turkey.

The Turkish Department of Roads and Bridges has allocated money for the construction of a series of badly needed bridges along the Black Sea Coast. The Bridge Section of the United States Road Group is working on bridge designs, using steel pile and stringers with timber-treated floors. The communications system will be appreciably improved by the completion of this project. On the basis of experience with a steel pile and timber deck structure built in 1948 with Road Group assistance, the Turkish Government has allocated funds for three similar structures to be constructed in 1949.

It is proposed to construct during 1949 twenty district automotive repair shops. These shops will be constructed with local materials, and not with Aid Program materials as was done in 1948, at a cost to the Turkish Government of about \$1,500,000.

Procurement

Deliveries of military-assistance matériel to Turkey continued during the current quarter at a stable rate, amounting to 21,000 weight tons. The value of deliveries and services amounted to \$11,200,000. These quarterly figures raised the totals for the entire aid program to 124,000

weight tons and \$84,680,000. Goods and services valued at \$126,447,000 had been authorized for procurement on March 31, 1949, leaving a margin of \$41,767,000 representing for the most part goods on order and in transit to ports.

(Insert chart)

Although the procurement lead time required between the date of order and the date of delivery is in general increasing, deliveries are expected to increase substantially as a result of procurement action on a large part of the requirements accumulated during the first six months of the fiscal year 1949.

As of March 31, 1949, the distribution of funds by service categories for military assistance to the Turkish armed forces was as follows:

(Insert table)

Organization of American Mission for Aid to Turkey

George Wadsworth, the United States Ambassador to Turkey, has continued to act as Chief of the American Mission for Aid to Turkey since October 1, 1948. The American Mission for Aid to Turkey is composed of a United States Army Group, a United States Navy Group, a United States Air Force Group, and a United States Public Roads Administration Group, which supervise the determination of requirements and the delivery of supplies under the program. The personnel of the Mission work with appropriate Turkish officials in training Turkish military and civilian personnel and in instructing them in the use of American materiel.

TURKEY
(Thousands of dollars)

Source of supply	Authorized for procurement	Shipments, transfers and services rendered
Department of the Army		
Corps of Engineers	\$ 4,111	\$ 3,274
Medical Department	677	338
Ordnance Department	57,427	30,326
Quartermaster Corps	666	366
Signal Corps	13,646	12,485
Transportation Corps	15	15
Overseas commands shipments	4,028	3,828
Ocean transportation	6,041	4,910
Administrative and training expenses	<u>2,455</u>	<u>2,454</u>
Total Army	89,066	58,496
Department of the Air Force ¹	14,265	8,882
Department of the Navy	18,104	12,797
Federal Works Agency ²	5,000	4,494
Department of State	<u>11</u>	<u>11</u>
Total all sources	126,446	84,680

1 Represents procurement of items peculiar to the United States Air Force and does not indicate the extent of the program in support of the Turkish Air Force.

2 Includes \$588,731 representing the value of road-construction machinery procured by the Army Corps of Engineers during the initial phase of the road program.

Mission personnel on March 31, 1949, totaled 335, as follows:

	Army	Navy	Air Force	Roads	Total
Officers	55	23	41	0	119
Enlisted men	21	38	47	0	106
Civilians	54	6	16	34	110
Total	130	67	104	34	335

TABLE I: GREECE

Status of Appropriation Under Public Laws 271 and 793,
80th Congress, as of March 31, 1949

This table is a consolidated summary of the official accounting records of the various Federal agencies to which sums have been allocated by Treasury warrant from the appropriation. These agencies are immediately responsible for carrying out the various phases of the program for Assistance to Greece. This statement, because of time consumed in auditing and certifying fiscal documents, does not reflect current program status. Program status information is reflected in subsequent tables.

TABLE I: Greece: Status of Appropriation Under Public Laws 271 and 793, 80th Congress

As of March 31, 1949

Agency	Allocations to dis- bursing agencies	Allotments by dis- bursing agencies to programs	Obligations	Expenditures
Greece:				
Department of Agriculture	\$ 31,014,650.00	\$ 31,006,210.03	\$ 31,005,780.65	\$ 30,927,698.43
Departments of the Army and Air Force				
Military program	284,000,000.00	283,965,149.86	285,349,615.74	186,519,631.96
Corps of Engineers projects	20,500,000.00	20,500,000.00	20,205,050.58	18,726,952.84
Economic Cooperation Administration	3,700,000.00	3,700,000.00	1,543,210.33	1,543,210.33
Federal Security Agency	116,000.00	114,747.38	109,921.57	81,466.09
Department of the Navy				
Military program	20,850,000.00	19,795,573.61	19,781,878.77	11,672,328.58
Petroleum purchases	3,610,000.00	3,584,527.91	3,584,527.91	2,997,173.50
Department of State				
Program and American Mission	54,630,000.00	52,179,174.73	50,328,123.33	49,868,134.40
Departmental expenses	400,000.00	357,979.00	356,492.34	350,034.71
Treasury Department	19,940,000.00	19,940,000.00	19,064,324.85	18,456,958.79
Total for all agencies	<u>438,760,650.00</u>	<u>435,143,362.52</u>	<u>431,328,926.07</u>	<u>321,143,589.63</u>
Total allocated for Turkey	161,496,000.00			
Unallocated	<u>24,743,350.00</u>			
Total appropriated by the Congress	<u>625,000,000.00</u>			

TABLE II: GREECE

Rate of Encumbrance of Funds Authorized by
Public Laws 75 and 472, 80th Congress

This table sets forth the cumulative total by periods of funds committed by the Department of the Army, the Department of the Navy and by other Federal agencies under the program for Greek military aid. The term encumbrance is used to designate the value of a transfer directive, transfer statement, requisition or other similar action or document which reserves funds for a specific and immediate purpose. In general, these encumbrance figures represent the value of purchase orders placed in the procurement process. Under Federal procurement procedure an amount equivalent to the procurement cost must be set aside at the time when procurement is initiated. Since this table summarizes the commitments of funds, it may be used together with supporting records for program control.

TABLE II: Greece: State of Encumbrance of Funds Authorized by Public Laws 75 and 472, 80th Congress

Period	Total	Cumulative		
		Army and Air Force	Navy	Other ¹
Quarter ending 1947:				
September	\$ 51,662,112	\$ 45,424,000	\$ 5,254,350	\$ 983,762
December	74,831,193	63,430,000	9,438,822	1,962,371
1948:				
March	161,206,896	146,000,000	11,934,882	3,272,014
June	197,836,193	179,771,364	12,849,572	5,215,257
September	235,062,482	214,045,569	15,801,556	5,215,257
December	275,998,232	253,327,922	17,455,053	5,215,257
Month 1949:				
January	292,657,206	269,341,956	17,849,993	5,465,257
February	313,960,677	289,563,652	18,181,768	6,215,257
March	318,056,662	290,510,000	19,795,574	7,751,088

¹ Represents value of goods supplied to the military program from aid funds other than those allocated by Treasury warrant to the National Military Establishment.

TABLE III: GREECE

Value of Deliveries

This table reflects the value of goods and services delivered to Greece from all sources, including Great Britain. This table therefore measures the rate at which aid benefits have actually accrued to Greece through March 31, 1949.

TABLE III: Greece: Value of Military Aid Delivered

Cumulative

Period	Total	Army and Air Force	Navy	Other ¹
Quarter ending				
1947:				
September	\$ 25,316,888	\$ 23,909,000	\$ 424,126	\$ 983,762
December	43,067,010	40,190,000	914,639	1,962,371
1948:				
March	77,244,526	71,000,000	2,972,512	3,272,014
June	111,299,628	100,972,533	5,111,838	5,215,257
September	165,581,155	152,468,311	7,897,587	5,215,257
December	225,990,014	210,412,323	10,362,434	5,215,257
Month				
1949:				
January	234,926,147	218,162,426	11,548,464	5,215,257
February	244,617,769	227,198,131	12,204,381	5,215,257
March	264,978,939	246,593,939	12,790,702	5,594,298

¹ Represents value of goods supplied to the military program from aid funds other than those allocated by Treasury warrant to the National Military Establishment.

TABLE IV: GREECE

Economic Aid Authorized by Public Law 75,
80th Congress

Economic as well as military assistance to Greece was authorized by Public Law 75, 80th Congress. Funds were committed for economic assistance up to June 30, 1948, to the extent of \$128,389,150. On July 1, 1948, the Economic Cooperation Administration assumed responsibility for economic assistance to Greece. However, funds authorized by Public Law 75 are being used currently to discharge commitments made prior to June 30, 1948. Commitments were reduced nearly \$7,000,000 between June 30, 1948 and March 31, 1949, as the accounts of the economic program were closed. This amount, which has now been allocated to the military assistance program, developed because the estimated cost on some purchase orders proved to be higher than the actual cost as contracts were completed and because some items were not available for purchase.

TABLE IV: Greece: Economic Aid Authorized by Public
Law 75, 80th Congress
Cumulative

Period	Encumbrances	Deliveries
Quarter ending		
1947:		
September	\$ 7,240,238	\$
December	43,946,349	21,797,752
1948:		
March	96,691,227	69,075,934
June	128,389,150	105,196,401
September	127,144,144	113,268,449
December	121,086,406	115,150,119
Month		
1949:		
January	121,071,212	115,753,585
February	121,426,381	116,191,778
March	121,426,331	119,454,805

APPENDIX B

TABLE V: TURKEY

Status of Appropriation under Public Laws 271 and 793
80th Congress, as of March 31, 1949

This table is a consolidated summary of the official accounting records of the various Federal agencies to which sums have been allocated by Treasury warrant from the appropriation. These agencies are immediately responsible for carrying out the various phases of the program for Assistance to Turkey. This statement, because of time consumed in auditing and certifying fiscal documents, does not reflect current program status. Program status information is reflected in subsequent tables.

Table V: Turkey: Status of Appropriation Under Public Laws 271 and 793, 80th Congress
as of March 31, 1949

Agency	Allocations to disbursing agencies	Allotments by disbursing agencies to programs	Obligations	Expenditures
Turkey:				
Departments of the Army and Air Force	\$133,093,731.00	\$118,087,415.95	\$ 94,793,168.35	\$ 50,162,087.44
Federal Works Agency	4,411,269.00	4,411,269.00	3,904,924.92	3,779,025.57
Department of the Navy	23,971,000.00	18,104,284.93	18,084,205.71	13,797,216.41
Department of State	20,000.00	14,859.00	11,383.27	9,103.53
Total for all agencies	<u>161,496,000.00</u>	<u>140,617,828.88</u>	<u>116,793,682.25</u>	<u>67,747,432.95</u>
Total allocated for Greece	438,760,650.00			
Unallocated	<u>24,743,350.00</u>			
Total appropriated by the Congress	625,000,000.00			

TABLE VI: TURKEY

Rate of Encumbrance of Funds Authorized by Public
Laws 75 and 472, 80th Congress

This table sets forth the cumulative total by periods of funds committed by the Department of the Army, the Department of the Navy and by other Federal agencies under the program for Turkish military aid. The term encumbrance is used to designate the value of a transfer directive, transfer statement, requisition, or other similar action or document which reserves funds for a specific and immediate purpose. In general, these encumbrance figures represent the value of purchase orders placed in the procurement process. Under Federal procurement procedure an amount equivalent to the procurement cost must be set aside at the time when procurement is initiated. Since this table summarizes the commitments of funds, it may be used together with supporting records for program control.

TABLE VI: Turkey: Rate of Encumbrance of Funds Authorized by Public Laws 75 and 472

80th Congress

Cumulative

Period	Total	Army and Air Force	Navy	Roads ¹	General
Quarter ending					
1947:					
September	839,481	•••••	250,750	588,731	•••••
December	29,192,172	22,335,382	2,517,201	4,338,731	358
1948:					
March	62,362,471	48,577,982	9,945,400	4,338,731	358
June	93,138,510	75,261,269	12,934,828	4,937,555	4,858
September	87,768,759	68,842,849	13,920,636	5,000,000	5,274
December	97,459,492	76,304,258	16,149,369	5,000,000	5,865
Month					
1949:					
January	106,372,144	85,675,383	16,138,594	5,000,000	7,667
February	117,867,201	96,418,320	16,437,073	5,000,000	11,808
March	126,446,668	103,331,000	18,104,285	5,000,000	11,383

1 Includes \$588,731 representing the value of road construction machinery procured by the Army Corps of Engineers during the initial phase of the road program.

TABLE VII: TURKEY
Value of Deliveries

This table reflects the value of goods and services delivered to Turkey from all sources. It therefore measures the rate at which aid benefits have actually accrued to Turkey through March 31, 1949.

TABLE VII: Turkey: Value of Aid Delivered

Period	Cumulative				
	Total	Army and Air Force	Navy	Roads ¹	General
Quarter ending					
1947:					
December	\$ 905,500	\$ 297,120	\$ 3,852	\$ 604,408	\$
1948:					
March	13,338,237	6,511,269	3,927,596	2,899,014	358
June	37,832,576	26,671,120	7,602,589	3,555,269	3,598
September	59,015,724	45,531,406	9,344,991	4,134,053	5,274
December	73,476,136	57,215,887	11,955,334	4,299,050	5,865
Month					
1949:					
January	75,698,677	59,101,133	12,254,189	4,335,888	7,467
February	78,443,403	61,581,155	12,408,537	4,445,684	8,027
March	84,680,212	67,378,350	12,796,824	4,493,655	11,383

1 Includes \$588,731 representing the value of road-construction machinery procured by the Army Corps of Engineers during the initial phase of the road program.

DEPARTMENT OF STATE
WASHINGTON

August 7, 1946

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Greek Economic Mission

1. In January 1946 the Export-Import Bank signed an agreement with Greece for a \$25 million loan. At the same time the American Ambassador in Athens delivered to the Greek Government a note that had been approved by you, pointing out the urgent need for the Greek Government to take immediate and energetic measures to solve its economic difficulties.

2. Up to the present time the Greek Government has not used any of the \$25 million credit made available to it nearly eight months ago. The information available to the Department indicates that the Greeks have not taken effective measures to deal with their internal financial difficulties, or to make the most effective use of the foreign assets already available to the country.

3. Early in July the Greek Prime Minister indicated to our Ambassador in London that he would like to send a mission to this country to discuss an additional Export-Import Bank loan. The Department, after consultation with the Export-Import Bank, replied that the time was not opportune to discuss a further loan, but that a mission to discuss the general Greek economic and financial situation would be welcomed. Our Ambassador in London conveyed this information to the Greek Prime Minister, and made clear that under present conditions there was no prospect of a new Export-Import Bank loan at this time.

4. The mission, however, in its early conferences with the Department has requested a new Export-Import Bank loan of \$175 million, and urged the necessity of such a loan to prevent economic and political collapse.

5. UNRRA to July 31, 1946, provided \$293 million of free assistance to Greece, and this assistance by the end of 1946 will total approximately \$358 million. The Department,

after

B File

after a careful survey of the Greek economic situation, concluded that Greece could meet essential import needs in 1947 if it used effectively the resources at its command, including the \$25 million Export-Import loan. The Department did not feel that it was practicable to ask Congress to appropriate additional relief funds for Greece, either through UNRRA or a new organization. This decision has not yet been communicated to the Greek Government, but it is probable that Mr. Clayton will explain our position to Greek representatives at the current UNRRA meeting in Geneva.

6. It is the feeling of the Department that it would be unwise for this Government to commit itself to extend any additional Export-Import Bank credits to Greece until the Greek Government has shown that it is taking the measures within its own power to deal with its economic problems. If Greece does that, an Export-Import Bank loan should be an effective means of furthering reconstruction in Greece, but in the absence of such action I feel that a new loan would do little, if anything, to solve the basic economic or political difficulties of Greece, and would ultimately add to its financial problems. In any event, the Department has been endeavoring to impress upon the Greek mission that the Greek Government cannot expect to obtain additional Export-Import Bank credits until it has demonstrated its willingness to take adequate measures for protecting Greek economy.

7. For your information, there is attached a copy of the note of January 12.

Allen Dulles
Acting Secretary

Enclosure:

Press release.

B File

DEPARTMENT OF STATE

FOR THE PRESS

JANUARY 11, 1946
No. 24

CONFIDENTIAL
FUTURE RELEASE
NOTE DATE

CONFIDENTIAL RELEASE FOR PUBLICATION IN THE MORNING NEWSPAPERS
OF SATURDAY, JANUARY 12, 1946, WHICH DO NOT APPEAR ON
THE STREETS BEFORE 9:00 P.M., E.S.T., FRIDAY,
JANUARY 11, 1946. NOT TO BE PREVIOUSLY PUBLISHED,
QUOTED FROM OR USED IN ANY WAY.

In informing the Greek authorities of the approval by the Export-Import Bank of a \$25 million loan to the Greek Government, the American Ambassador in Athens is presenting to the Greek Foreign Office today, January 12, the following note:

The United States Government acknowledges receipt of the letter addressed by Mr. Tsouderos to the Ambassador of the United States in Athens, submitting suggestions for economic aid to Greece.

The United States Government is mindful of the important contributions made by Greece to the successful conclusion of the war and sympathetically aware of the tremendous devastation visited on Greece during the period of hostilities. In the face of overwhelming odds Greece exhibited a courage in resistance which served as an example to the liberators who eventually were able to release Europe from enemy domination. The relief provided to Greece through military liaison and the current operations of UNRRA is an effort on the part of the United States along with other Allied countries to demonstrate their grateful recognition of the tremendous sacrifices Greece has made. Further assistance toward reconstruction will be afforded through a \$25 million Export-Import Bank loan. By means of this loan Greece will be able to acquire certain essential supplies and equipment.

There is a danger, which should not be ignored, that if energetic steps are not taken to improve the present internal economic situation, the assistance from the United States will not produce the lasting benefits that are hoped for. An immediate improvement in the economic situation in Greece should create an atmosphere favorable to the successful holding of national elections. Elections accurately reflecting the wishes of the Greek people should bring about an improved political situation which should contribute substantially to long-run economic recovery and to future stability.

The severe difficulties which Greece has encountered since liberation can be traced in large part to the

B File

self-sacrificing

-2-

self-sacrificing heroism with which the Greek people resisted the common foe. The resulting emergency conditions have prevented successive Greek governments from carrying out effectively the stringent kind of internal economic stability program that is required. The Government of the United States is aware that Greece's burden is a heavy one, but it is convinced that the assistance being extended to Greece can accomplish little toward economic recovery unless the Greek Government itself undertakes rigorous measures to control inflation and to stabilize the currency, to reduce Government expenditures and to augment revenue, to increase the efficiency of the Civil Service Administration, and to revive industry and trade.

The execution of such a program has been the announced intention of several Ministries which have been in power in Greece during recent months but in no case has it been possible for them to pursue such a program to a successful conclusion. It is assumed that the present Government also has under consideration a similar program. The extent of possible further American economic assistance to Greece will necessarily be influenced by the effectiveness with which the Greek Government deals with the problem of economic stabilization.

The United States Government has been advised by the British Government of the latter's proposal now under discussion with the Greek Government to send an Advisory Economic Mission to Greece. In view of the interest which this Government has in the success of the economic stabilization and recovery of Greece, it welcomes this evidence of the desire of the British Government to extend advisory aid to Greece. If Greece should need additional technical assistance, the United States Government would be prepared, upon request of the Greek Government, to make available American technical and economic experts to consult on Greek financial and economic programs. The particular qualifications of any experts which might be desired could be determined in consultation between the two Governments, so that they would be best equipped to assist on those problems which are now most urgent in Greece.

The Greek Government can be assured that the United States Government is fully aware of the grave difficulties which beset Greece. It hopes, however, that the Greek Government, by taking firm action and at the same time being confident of outside assistance, will be able to lead Greece on the road toward economic recovery.

* * *

B File

President's Secretary's
Files

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

1-X

Action-EUR

Info:

S/S

EUR-X

DC/R

LOG

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 3(D) or (E)

Dept. of State letter, Aug. 9, 1973

By NLT- , NARS Date 6-30-75

Control 3929

Rec'd March 13, 1947
2:39 p.m.FROM: Paris (*Ambassador Caffery*)

TO: Secretary of State

NO: 1111, March 13, 5 p.m.

US URGENT

FOR THE ACTING SECRETARY

Although Paris newspapers are still unpublished because of the strike, the substance of the President's address yesterday to the joint session of Congress, is known by a considerable part of the public and particularly by political leaders. The initial reaction of the officials and political leaders whom I have seen today (Communists excepted) is one of tremendous enthusiasm. They believe that it is a real "body blow" to the Communists and will greatly strengthen all democratic elements and will cut the ground out from under the insidious Communist propaganda line that the United States intends to pull out of Europe and let it stew in its own juices.

Acting Foreign Minister Teitgen, who congratulated me most heartily on the speech this afternoon, was jubilant and said that the President's clear statement of American aims and objectives would greatly aid all democratic elements in their struggle to establish a just and democratic world. He added that unfortunately many Frenchmen had been drifting for the past two years not being sure what to do since they did not know what the United States would finally do. "These Frenchmen", he said "share with you the same fundamental conceptions of liberty, human dignity and justice and now that they know

where you

~~SECRET~~

INFORMATION COPY

B File

~~SECRET~~

-2- #1111, March 13, 5 p.m., from Paris

where you stand they will certainly work actively
to sustain these principles."

High officials of the Foreign Office expressed a
similar enthusiastic reaction. The Foreign Office
is awaiting with keen interest the direct reaction
not only of Moscow but of the French Communists.

Repeated to USDEL Moscow as 131.

CAPFERY

CAD:ACM

DECLASSIFIED
E. O. 11652, Sec. 3(E) and 5(D) or (E)
Dept. of State letter, Aug. 9, 1973
By NLT-HC, NARS Date 6-30-75

~~SECRET~~

B File

President's Secretary's
Files

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

X

PLAIN

Action-S/S

Info:

SA/M

NEA

DC/R

LOG

Control 3992

Rec'd March 13, 1947
5:17 p.m.

FROM: Athens

TO: Secretary of State

NO: 367, Thirteenth.

Following is exact English translation of message to President Truman from Mr. Sophoulis which latter has urgently asked me to transmit:

"To the President of the United States Harry Truman: Please accept the expression of our deepest gratitude for the valuable assistance which you have kindly proposed to Congress in favor of Greece, for her economic rehabilitation, the stabilization of her freedom and independence and for her internal pacification. The assistance of the United States and your wise advice condemning the extremes of the right and left and recommending a policy of toleration will also contribute, I am sure, to the internal pacification of Greece without further bloodshed. (Signed) The Leader of the Opposition Committee Themistocles Sophoulis."

MACVEACH

GD:JSP

PLAIN

INFORMATION COPY

B File

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

1-X

~~SECRET~~

Action: EUR

Info :

S/S

NEA

EUR/X

DC/R

LOG

Control 4030

Rec'd March 13, 1947
6:22 p.m.FROM: London (*Charge d'affaires Hallman*)

TO: Secretary of State

NO: 1618, March 13, 8 p.m.

In the course of the day I have seen permanent Under-Secretary Sargent and Under-Secretaries Warner and Butler. All were very favorably impressed by President's speech.

Sargent said he very much liked its frankness. He was glad that Poland, Bulgaria and Rumania were also mentioned. There was much speculation now as to the effect of the speech on the Moscow talks. He personally felt that so forthright and frank a statement could not help but have a very good effect on the "primitive" Soviet mentality.

Warner characterized the speech as "a very fine statement." The references to Britain were so phrased that they could not possibly cause any embarrassment to Foreign Office. It was to be expected, however, that the statements frankness on Communism would lead to some criticism from those elements here who are always advocating caution. At today's weekly meeting of a group of political officers of the Foreign Office the general feeling was that the speech would have a salutary effect on the course of the Moscow talks. He himself had not made up his mind on this point. He felt though that if the effect were salutary this would not be reflected at once by Soviet behavior.

Butler's comment was that the speech was the most heartening development in many months.

For today's

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 3(D) or (E)
Dept. of State Letter, Aug. 9, 1973
By NLT-44, NARS Date 6-30-75

~~SECRET~~

B File

resident's Secretary's
Files

~~SECRET~~

-2- #1618, March 13, 8 p.m., from London

For today's press treatment of the speech see our
Thames cable 101.

Sent Dept as 1618 repeated Moscow 102, Athens 28.

GALLMAN

MP:AGA

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

Dept. of State letter, Aug. 9, 1973

By NLT-HL, NARS Date 6-30-75

~~SECRET~~

B File

President's Secretary's
Files

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

9-X

Action: EUR

Info:

S/S

UE

NEA

OCD

OIG

FO

DC/R

Control 4452

Rec'd March 14, 1947
6:55 p.m.

FROM: Belgrade

TO: Secretary of State

NO: 260, March 14, Noon

President Truman's speech on aid to Greece and Turkey has created sensation locally. So far not only has no press comment appeared but no news articles have been published. Nevertheless everyone seems well informed. Opposition circles are naturally delighted and encouraged. I have yet had no reactions from official circles. Diplomats outside of Soviet bloc are deeply pleased since they feel that it is decisive step in stopping further Soviet encroachments. Greek Minister called to extend felicitations. Turkish Counselor equally delighted. French Ambassador commented that move threatened to saw off long limb that Tito and company had gotten selves out on and pointed out how much wiser Czechoslovakia had been in not getting self out on limb. Ambassador did not think however that it would produce split in government but rather drive it together and he saw no immediate prospect of successful opposition.

Sent Department 260, repeated Athens 7, Moscow 9, Sofia 8.

CABOT

DES:GWD

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
Dept. of State letter, Aug. 9, 1973
By NLT-HL, NARS Date 6-30-75

B File

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

Dept. of State letter, Aug. 9, 1973

By NLT-11, NARS Date 6-30-75 ~~SECRET~~

8-M

Control 5361

Action: BUR

Info :

S/S

N3A

GCD

CIG

FC

EUR/X

DC/R

Rec'd March 18, 1947
11:52 a.m.

FROM: Paris

TO: Secretary of State

NO: 1155, March 16, 1 p.m.

The reaction in Paris political circles (except Communists) to the President's message continues to be highly favorable and as a result, our prestige is high. Radical, MRP, Independent Republican and Socialist leaders have all been making special occasion to speak to me about it. These leaders of the Center and Left are unanimous in their conviction that the President's policy message will, more than anything which has occurred since the Liberation, serve to unite different Democratic French elements which are opposed to Communism. They make no bones about the fact that the Communist party "because it is directly backed by Soviet Russia, one of the two greatest powers", has had the Indian sign on other political parties to such an extent that they have been neutralized or rendered impotent through fear and a sense of inferiority. The President's message has served to make them feel that they are not isolated and alone. They see in the message a clear indication that the United States understands and is assuming its new responsibilities which they had feared we might be unwilling to shoulder.

The above reaction is not limited to Paris alone. I have received telegraphic reports from the different consulates in France indication that the reaction throughout the country is similar to that set forth above.

Repeated US Delegation Moscow, 145, London 222, Rome 65, Brussels 28.

CAFFERY

MH:FAB

SECRET

File

President's Secretary's
FilesTHE WHITE HOUSE
WASHINGTON

July 16, 1947.

MEMORANDUM FOR THE PRESIDENT:

General Marshall just phoned the following message for you and asked that it be handed to you right away:

"Reference to your inquiry regarding Greek situation, they have just about completed a memorandum of the facts in the situation as we know them, for me to send to you. I hope to get it over to you in the course of an hour."

RB

B File

~~SECRET~~

DECLASSIFIED
E. O. 11652, Sec. 3(E) and 3(D) or (E)
Dept. of State letter, Aug. 9, 1973
By NLT-HL, NARS Date 6-30-75

July 16, 1947

MEMORANDUM FOR THE PRESIDENT

Subject: Greek Situation

The Greek situation has taken a serious turn in the last three days. According to a member of the Greek liaison staff with the foreign team in the field, at Yannina, a guerrilla force estimated at 2,500 men crossed the frontier from Albania along the line of the Aous River at dawn on July 12. It isolated Konitsa by destroying the Aous River bridge at Bourazani, attacked and captured Konitsa and was at the time of the report advancing on Yannina. The guerrillas were reported to have unusually heavy armament and were well equipped with pack animals and supplies. They appeared to be unusually well trained in the technique of taking cover at the approach of a plane. (overmap)

On July 15 information was given the foreign team that main guerrilla forces were at Kalpaki, but that Greek Army reinforcements had arrived and that the guerrilla advance had been stopped.

Greek Government reinforcements were flown in.

A second column of guerrillas now reported at about 2,500 strength is moving into Greece and our advices indicate that the persistence of the attack shows that there is probably some basis for the Greek claim that a form of international brigade is now in existence.

The Near East desk in the Department has felt for some time that a Communist move along the lines of setting up a "people's republic", or its equivalent, might be undertaken in some border area of Greece which has natural defensive characteristics. The present moves have that objective.

Reading the messages and the British Foreign Office's views on the gravity of the situation, it would appear that the likelihood of civil war is considerable, especially since the United Nations Security Council does not appear to be willing to act aggressively on the Ethridge Mission's report.

A detailed statement of the situation as known to the Department is in the course of being drafted and probably will be completed this afternoon. I will send copies of this statement to

B File

~~SECRET~~

-2-

the Secretaries of War and Navy and to Admiral Leahy for the Joint Chiefs of Staff. Unless your office advises me to the contrary, I will not burden you with such details.



[Handwritten signature]

REV. 11-59
E.O. 11652, Sec. 3(E) and 5(D) or (G)
Dept. of State letter, Aug. 10, 1972
By *[initials]*, DATE Date *6-30-75*

B File

President's Secretary's
Files

March 24, 1947

The President
The White House
Washington, D. C.

My dear Mr. President:

Seldom does the chief of any state have an occasion to make a statement more momentous than was yours to Congress on March 12th. It is already a living document of historic significance.

Unlike the Monroe Doctrine, which barred European Empires from South America, and the Roosevelt Quarantine Doctrine, which barred economic aid to the Fascists, your doctrine in support of peoples who are desperately defending their freedom calls not for negative bars but for immediate positive action. In fact your new policy cannot succeed without energetic and effective administration.

You have already called the attention of the Congress and of the American people to your intention of sending teams of administrators, economists, technicians and military experts along with American financial aid. I can say from my observations that this policy is indispensable.

Four other administrative aspects strike me as of parallel importance. I take the liberty of mentioning them briefly. They are:

First: the importance of mobilizing in Washington all our resources as they focus upon Greece, on Turkey or on any other geographic area. Our government normally acts through the State Department, the War Department, the Department of Commerce, the Department of Agriculture, the Treasury, etc., etc., and also through the Bank, the Fund and other agencies. Such separate units can work together in planning and clearing policies through the process of inter-agency discussion. But, Mr. President, your new program for Greece is administrative in character, and cannot be handled by a debating society of voluntary co-operators. (I am in no way looking for a job). It must have an administrator with authority to make it work.

B File

-2-

Second: is the management and procurement in the U. S. market? Greece alone is not large, but when you add in British, French, Belgian, Czech and Occupation purchases you will reach a figure not far less than the Lend-Lease operation. This program will give us a long continued high level of employment whatever else happens. But there is danger of further inflationary pressure especially if procurements are left to competitive ingenuity of foreign buyers working in the open market. Export control is not enough.

Must we not have an expansion of the power of the government to manage these procurements through positive action, the establishment of priorities and allocation powers in certain sections of production, and the establishment of price control authority in relation to the foreign-aid program?

Third: I am deeply concerned over the effect of the new program on irreplaceable and wasting natural resources. Would it not be possible to develop manufacture and procurement so as to lean on foreign raw materials to a maximum degree by advance planning directed to this end?

Fourth: The Army and Navy should have the right to furnish any material on hand and replace it with new purchases where newly improved items are available.

Finally, may I urge again that considerable machinery and equipment payable to the U. S. and others as reparations can be taken out of Germany and Japan and put to work in Greece and other areas immediately. All that is needed is willingness to act by our occupation forces and technical personnel to handle installations and give operating instructions. The equipment is now mostly idle and deteriorating fast.

Respectfully,

Edwin W. Pauley

B File

President's Secretary's
Files

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

9-B

Action: NEA

Control 8397

Info:

Rec'd November 29, 1947
7:13 p.m.

SS

UE

C

FROM: Athens

AA

AP

TO: Secretary of State

UGT

LE

NO: 2060, November 29, 6 p.m.

ITP

OPD

DCR

Tsaldaris asked Griswold and me call on him November 25. He began conversation by expressing deep concern over whole situation in Greece. Said it strikes him that things are moving much too slowly; by the time recommendations are made and acted upon measures too often prove inadequate. Speaking frankly he said many actions seem to be taken without full knowledge their implications or ramifications. Cited this connection question balancing of budget which while necessary must be done with due regard inter-relationship of various factors. Also expressed concern over limited powers Griswold saying that when they first met in Washington and he learned that Griswold would be made "High Commissioner" with full powers over aid program he was at first concerned as a Greek that any one man should be given such authority in his country but after thinking matter over had reached conclusion that only thus could situation be saved. In practice, however, it seemed this has not been case and not only has Griswold only limited authority make decisions but his recommendations are not promptly approved by Washington. Gave as example inability of AMAG after two weeks effort to obtain decision re exchange of napoleons for sovereigns. Further example delay was long time consumed in obtaining approval recommendation give operational advice Greek Army and still further delay in implementation decision.

Tsaldaris then went on discuss seriousness gold situation. Said Greeks, if absence consumers goods for purchase, put available money into gold, only commodity in which they have faith. This causing increase in price gold coins and consequent increase in prices. Said "orthodox" economists evidently unable understand situation in Greece which is entirely unorthodox. Gold is bought and sold here as commodity. People not only demand gold but they demand one kind of gold--sovereigns--and one kind of sovereign "the old lady," (meaning Victoria sovereigns). In reply

Griswold's

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guideline, June 12, 1979

By NLT: *HC* NARS, Date *10-20-80*

INFORMATION COPY



B File

~~SECRET~~

-2- #2060, November 29, 6 p.m. from Athens

Griswold's question whether Greeks might not accept napoleons or five dollar gold pieces Tsaldaris replied in negative since both these coins sell at discount in spite of having relative higher gold content. He expressed opinion that if Greece had adequate supply sovereigns on hand mere announcement by Griswold of this fact would force down gold price and hence commodity prices, with stabilizing effect all along line. Recalled how following announcement Truman Doctrine price gold sovereign dropped in two weeks from 144 to 120 thousand (MYTEL 424, March 22). An announcement of banks ability sell gold now would have similar effect and it might not be necessary actually sell many coins. As in case given above gold buyers queues would be converted into sellers queues. Said perhaps orthodox economists correct in contending that it is unsound sell gold to support currency and keep prices down but they fail take into account psychology Greek people. Added he would be glad if someone would suggest a method of enabling Greek Govt recapture several million sovereigns in hands public but no one has proposed any workable solution. Griswold interposed to ask if banks napoleons changed for sovereigns might this supply not be sufficient three or four months during which other remedies (increase of imports, etc.) might become operative. Tsaldaris estimated these might last two or three months and while helpful emphasized this only stop-gap measure. Real solution, he said, is to have sufficient gold in reserve to reassure people so they may turn thoughts from gold to consumer goods, which must then be made available for purchase. Referred to gold which guarantees Greek ten million dollar loan in New York and suggested that if this could be freed, its availability would give stability to drachma, end gold speculation and bring prices down. In reply Griswold's question whether wealthy Greeks might not be induced take up cover this loan Tsaldaris replied there was not slightest chance.

Turning to military situation as example of how interrelated and complicated things in Greece can be, Foreign Minister said that guerrillas have cut communications between Athens, Patras and Yanina and unless order could promptly be restored in Pelopponesus effect would be widespread and might be disastrous. Pelopponesus is "sacred homeland" of Greece where war of independence began and was won, whence have always come Greece's best fighters.

If these



B File

-3- #2060, November 29, 6 p.m. from Athens

If these fighters in north learn that their homeland in flames their morale will be shattered and will to fight destroyed.

Foreign Minister then turned to larger aspect Greek problem and speaking, he said, not as Greek or Cabinet member but as world citizen, declared that in his opinion US stake in Greece is much bigger than Greece itself and entails future of western civilization. Neither US nor Greece can afford to fail. It behooves us therefore to act energetically and with greatest speed to meet actualities of situation. It appeared he said that aid to Greece has been apportioned and frozen, so much for military, relief, reconstruction, etc., whereas realities of situation called for more flexibility and prompt access to additional funds if required. Conditions have worsened in Greece since original aid voted due to deteriorating military situation, bad wheat crop, growing refugee problem and higher prices of commodities in world market. Griswold, he thought, should have fund of ten million or so dollars to use where most needed without protracted negotiations and discussion between him and Washington, and more funds must be found to meet needs unforeseen when aid voted. Again saying he was not thinking of Greece alone, he begged us to act before it is too late.

Griswold explained to Foreign Minister the legal and technical limitations involved and stated that unless Congress should vote more funds situation here must be faced with funds available. Everyone, he said, is doing his best to face up to complicated and difficult problems and will continue to do so.

In terminating, Tsaldaris repeated that everything points to necessity for speed if situation is to be met squarely. Things in his opinion are moving much too slowly and if present govt cannot succeed in solving urgent problems it will have to give way with all consequences that entails.

While it is patent that Greeks themselves have failed produce kind of speed they ask of US, Embassy feels Tsaldaris has pointed up desirability of facing realistically situation as it has developed and will develop and overriding necessity of reaching and implementing decision as quickly as humanly possible. Case in point is question

exchange



B File

~~SECRET~~

-4- #2060, November 29, 6 p.m. from Athens

exchange of napoleons for sovereigns discussed in AMAG 542, November 26, so as to have at least this amount on hand in form that it could be immediately used in an emergency. Embassy strongly endorses views expressed that telegram and urges immediate approval. Also, for US to guarantee Federal Reserve loan so as to release its gold cover and exchange latter for sovereigns might be cheap way of forestalling runaway inflation here with all that would be entailed detrimental our own national interests. Time is of the essence and, as Griswold states in REFTEL, we must buy time until army begins really to march.

As immediate practical measures toward speeding up operations, Embassy recommends that Griswold be given broader powers to make on spot decisions, that matters necessarily referred to Washington be treated more urgently, and that all problems be viewed by Department in their proper relationships. It is not, for example, helpful and seems wholly unrealistic to say that provision for unforeseen refugee problem must come out of Greek budget (Department memo dated October 28 of conversation with Tsaldaris) when AMAG fiscal advisers say that nothing more can come out of budget without immediate danger of inflation. Such problems must be coordinated.

Embassy has frequently pointed out that our thinking must transcend limited circumstances of original aid program if we are not again to suffer consequences of "too little and too late." This has been recognized in military field by decision give military advice to Greek Army even though general situation has deteriorated during two months it took to reach decision and will probably deteriorate still further before decision can be implemented.

So that all the fine work that has already been done and funds already available may yield maximum results, it is Embassy's considered opinion that all elements situation should be immediately reviewed and coordinated and all necessary steps promptly taken.

This telegram shown to Griswold who concurs.

KEELEY

JMS:PAF

~~SECRET~~

B File

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

9-X

Action: EUR
Info:
S/S
U-E
NEA
OFD
DG/R

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 3(D) or (E)

Dept. of State letter, Aug. 9, 1973

By NLT-44, NARS Date 6-30-75

Control 4386

Rec'd March 14, 1947
4:55 p.m.

FROM: Bern

TO: Secretary of State

NO: 216, March 14, 1 p.m.

Swiss press comment on President Truman's message Congress for purpose coming assistance Greece and Turkey has been limited so far to objective discussion salient points address. Conjectures as to effect it may have regard reactions which can be expected from those at which it was aimed are still lacking. On other hand, message has made profound impression on top officials Swiss Foreign Office who met yesterday morning to discuss its implications with reference Switzerland.

While address was considered as perhaps well timed and effective warning to Russians to curb their intransigent attitude and reconsider risks involved in attempting expand their influence, concern was voiced over effect message upon Switzerland's traditional foreign policy. It was pointed out whereas heretofore global political situation had been fluid, President Truman's words had formulated new departure in American foreign policy which may prove instrumental in crystallizing western bloc with which Switzerland might have to reckon, particularly with respect its existing international commitments and current negotiations. With regard latter Switzerland's negotiations with some of Russian satellites who want financial and economic help were referred to.

Opinion was expressed that in view possibility similar help from US for such countries being granted contingent upon greater measure political independence becoming manifest in them, while in others, such as Greece and Turkey, assistance was to be given help them achieve their full independence, US could therefore be expected from upon any financial and economic support being received from Switzerland so long as recipients revolved in Russian orbit. As some these countries might remain under Russian hegemony for some time, position Switzerland in circumstances would become increasingly difficult as it

B File

President's Secretary's
files~~SECRET~~

-2- #216, March 14, 1 p.m., from Bern

was obliged adhere its traditional policy neutrality, and could not properly change its attitude toward these satellites no matter how much her sympathies were in other camp.

Swiss Foreign Office officials see dangerous navigation ahead in troubled international waters which Mr. Truman's address is likely have agitated still more, but they feel that its statement US position would in end have salutary effect and might clear atmosphere.

HARRISON

SMD:WLB

DECLASSIFIED
E. O. 11652, Sec. 3(E) and 3(D) or (E)
Dept. of State letter, Aug. 9, 1973
By NLT-HL, NARS Date 6-30-75

~~SECRET~~

B File

Press Release PM/597
6 October 1947

SPEECH OF THE AUSTRALIAN FOREIGN MINISTER (DR. EVATT)
ON THE GREEK QUESTION
COMMITTEE NO. 1 (POLITICAL) OF THE GENERAL ASSEMBLY MONDAY
6 OCTOBER 1947

As the background to our consideration of the present situation in Greece, let us keep firmly in mind the epic fortitude shown by the Greek State and the Greek people in resistance against the Italians and Germans in 1941. At that crucial time political differences in Greece were put aside and a united front was established against the invaders. Everyone knows that as a result of the successful Greek resistance to Italy carried on to the subsequent resistance to Germany, the German attack on Russia was considerably delayed. Instead of gratitude from the Soviet Union, we find that country engaged in a systematic campaign of vituperation against Greece.

Years of Disruption in Greece

For Greece the consequences of the axis invasion followed by the German and Bulgarian occupation were tragic. The greatest misfortune was that, when Greece was liberated in 1944, unity was not restored to face the great task of post-war reconstruction. Instead a small section of the Greek people attempted by force to impose its will and its ideology on the majority.

In the result Greece has for seven years been disrupted by invasion, enemy occupation, and internal conflict. The Greek people are fully entitled to some chance of stability and to an opportunity to work out for themselves their own restoration without unwelcome and improper interference from outside.

In particular the new Greek Government should be encouraged and supported by the representatives of the United Nations in this General Assembly, rather than condemned, because in its desperate need it has requested and received advice and help from the United Kingdom and the United States. From the side of those who in this Committee have been active in vituperation and abuse of Greece and the Greek Government, we have listened in vain for any sign of recognition of the great and unselfish record in war and in peace of the United Kingdom and the United States, and especially for any acknowledgment of the immense contribution which the United States has made to

File
B

calumnies and distortions of the true facts and much vituperation, defamation and abuse. The Delegate of the Soviet Union, echoed in similar terms by the Yugoslav, Ukrainian and certain other representatives, has accused the United Kingdom and the United States of interference in Greek internal affairs and of attempting to enslave Greece and to make that country their political and economic annex. These are allegations of the crudest, almost infantile, kind.

Attacks Against Greece, USA, and UK

Here are a few typical examples of the defamatory charges levelled by the USSR and other countries:

1. "They" (i.e. Greek leaders) "are awaiting a conflict among the Great Powers and first of all between the Soviet Union on the one hand and the United States on the other. They are openly spreading criminal propaganda about the desirability of a war between East and West. They are calling for war against the Slav states."

(USSR charge, 27 September)

2. "Greek leaders...are prepared to sacrifice the independence and sovereignty of their country in order to obtain the support of the United States and to prolong the existence of the political regime which has been imposed on Greece."

(USSR charge, 27 September)

3. "The British forces never came into contact with the fleeing German units but they used their arms against the people's army of the Greek people not a single British soldier was killed or wounded in the course of the liberation of Greece. Wherever the Germans were the British soldiers were not."

(Yugoslav charge, 26 September)

4. "The United States and the United Kingdom rejected any proposal which would have had the effect of calming minds and spirits in Greece."

(Yugoslav charge, 26 September)

5. "Greek Governments were formed in the United States Embassy in Athens."

(Yugoslav charge, 26 September)

6. "In the case of present day Greece the size of the army seems to require the consent of a foreign nation."

(Polish charge, 4 October)

B File

-3-

7. "The theory that the Greek civil war is due to interference by Greece's northern neighbors is entirely unfounded. It serves only to cover the political and strategic aims of certain powers."

(Polish charge, 4 October)

8. "The United States chose the Greek Question in order to undermine cooperation in the United Nations."

(USSR charge, 27 September)

9. "The re-establishment of normal relations between Bulgaria and Greece is not in harmony with the United States' plan to establish naval and air bases in Greece in order to make its influence felt in the Near East."

(Bulgarian charge, 2 October)

The Internal Position in Greece

For the moment, let the Committee consider what is the actual present position in Greece and the real facts concerning the relations of Greece with the three countries adjoining it on the north. First it is to be noted that while continuing to combat the insurgent forces attempting to usurp power by violence, the Greek Government has recently offered an amnesty of wide scope which is still current. Here is evidence of the genuine desire of the Government in the midst of its difficulties to unite the Greek people in a renewed attempt to restore the country's economic and political well-being by constitutional means. The present political control of Greece arises from the elections held in the early part of last year. The conduct of these elections has been criticised, but the fact is that the elections were held under international supervision in which the countries now leading the criticism refused to share.

The presence of impartial international observers made it possible for the majority of the Greek people to express their will. This is an achievement which the peoples of some other countries may well envy. Instead of looking for defects in the control of these elections, or in the conduct of the various Governments which have held office since that date, our objective should be to do everything possible to ensure that stable conditions are created in Greece in which, at the proper time, elections can be held without fear of pressure or intimidation by any group or party, especially by any extremist minority wishing to establish itself

FILE

Motives Behind Attacks on Greece

Unfortunately, the statements made to this Committee by the representatives of Yugoslavia, Bulgaria and Albania have served to confuse rather than to clarify the issues in this case. Primarily they have consisted of reckless and irresponsible denunciations against those who have been in control in Athens in the past two years. A study of the tone and character of the statements delivered before the Security Council, the Security Council's Commission of Investigation and before this Committee of the Assembly, shows very clearly that the three countries concerned have acted, and are acting, in the closest day-by-day collaboration with each other, and with the Soviet Union, the Ukraine and Byelorussia. Here is evidence of a policy of combination against Greece, Great Britain and the United States which presents us with perhaps the gravest and most intractable aspect of the question before us.

However, in the counter-charges put forward by these countries much more is implied than they presumably wish: from their carefully organized and well-timed verbal offensives, the impartial observer can easily discern motive and purpose for the actions charged against them in the United States resolution, that is, the purpose of aiding and abetting the forcible destruction of a regime which, not being Communist-controlled, is detested by Communist-controlled Governments who can hardly conceal their desire to overthrow it.

Let me interpolate this. The Greek Government may not be as fully representative as all democratically-minded people would like. If we had to examine and determine this issue, we should also have to consider the representative and democratic nature of some countries neighboring Greece, such as Yugoslavia, Bulgaria and Albania, to mention only three. If these countries are democracies they are very differently constituted from our idea of what democracy signifies - that is the people's complete freedom of choice and the right of free appeal to a free electorate in both the appointment and the dismissal of Governments.

The main questions which have arisen in the committee are first, whether Yugoslavia, Bulgaria and Albania have given, in breach of international law, aid and support to Greeks who are opposing the Greek Government by force, and secondly, if so, what this Assembly should do in the circumstances.

Australia
PM/597
4 October 1947

The Security Council's Committee of Investigation

As a result of the Greek allegations made in December of last year, a Commission of Investigation was sent to Greece by the Security Council. The Commission was in no sense a one-sided body. Its membership was the same as that of the Security Council, that is to say, it was composed of countries widely separated geographically and differing in their politics and even in their political and economic systems.

In the course of its work the Commission heard 238 witnesses of whom 76 were presented by the Greek Government and 126 by the other three Governments. With the exception of the Soviet Union and Poland, the members of the Commission were unanimous in their recommendations to the Security Council, while eight out of the eleven were agreed on the conclusion that on the basis of the facts ascertained by the Commission, Yugoslavia and, to a lesser extent, Albania and Bulgaria, had supported the guerrilla warfare in Greece.

The Commissioners saw and heard the witnesses. It was for them and them alone to determine the credibility of the witnesses. The Commission was the fact-finding tribunal especially appointed for that purpose. No one can challenge the honesty and integrity of the Commission's membership.

Credibility of Witnesses

Attention has been directed to the fact that some of the witnesses were in the custody of the Greek authorities, and it is claimed that their testimony was therefore valueless. Again certain inconsistencies in the evidence were pointed out before the Commission and have again been referred to here. These are matters to which attention has rightly been drawn, and which the Commission had the duty to take into account and did, in fact, take into account. Nonetheless, it is the opinion of the Australian Delegation that these aspects can easily be exaggerated and that emphasis should rightly be given to the mass of evidence as a whole, which substantiates the conclusions drawn by the Commission of Investigation.

Take the question of inconsistencies. Anyone familiar with proceedings in courts of law is aware of the fact that occasional inconsistencies are often proof, not of unreliability but of honest mistake. On the other hand, we know that statements may be so consistent and pattern-perfect, that they can have been given only

(MORE)

B File

in accordance with preconceived arrangement, and are therefore worthless.

I repeat that there is substantial evidence, fully set out by the Commission in its report, on which the Commission's conclusions have been properly based. Not all the evidence placed before the Commission is equally credible or equally substantial; but there is undoubtedly strong factual basis for the conclusions reached - as I have said, this Committee cannot substitute itself for the Commission as a judge of the credibility of witnesses.

This evidence received by the original Commission has now been reinforced by additional facts reported by the subsidiary group, which was often able to make an investigation on the spot very shortly after an incident had taken place. I quote here by way of example, three incidents recently investigated by the subsidiary group, which tend to confirm the Commission's findings.

Complicity of Bulgaria

The first concerns the complicity of Bulgaria. It was the Angistron-Lipa-Kapnotopes incident of April 1947, which was the subject of an on-the-spot investigation in June 1947. Four former guerrillas testified that they had taken part in the Angistron incident, and that they saw the band cross the frontier. Three of these witnesses testified that they had crossed into Bulgaria with 135 guerrillas, that the entire group was taken under Bulgarian escort to the refugee camp at Berkovitsa; that some 400-500 guerrillas were encamped there, where political indoctrination and hospitalisation were provided. Three testified that they were members of three groups of fifty each who were returned to the frontier, after being re-armed, for re-entry into Greece for further action.

Complicity of Yugoslavia

The second incident was that of March 31st - April 1st 1947, at Kouka-Palaion-Triethmes. It concerns the complicity of Yugoslavia. The 37th Greek Brigade, during mopping-up operations, drove some 400-500 guerrillas across the Yugoslav frontier. Seven Greek soldiers, in sworn depositions, testified that they had taken part in the action and had driven the guerrillas across the frontier. Three former guerrillas declared that they had fled into Yugoslavia during the fight, that they had been escorted about four or five kilometers into Yugoslav territory by Yugoslav soldiers, where they stopped at a temporary camp for about four or five days, that some twenty Yugoslav soldiers had guarded the camp, that they were fed and housed, and that their

(FORE)

B
File

wounded were cared for by a Yugoslav military doctor. About 120 guerrillas, they said were sent to Bulkes "for a rest". Two Yugoslav army deserters, one of whom was recognised by a guerrilla, testified that they had been members of the camp guard, and that they had personally guarded the arms and ammunition of the guerrillas and had helped to care for the sick and wounded. It should be added that the rest of the guerrillas returned to Greece for further action.

Complicity of Albania

A third incident was that of Konitsa on July 11th - 15th, 1947. This concerns the complicity of Albania. The subsidiary group began investigating this incident on July 14th, some 22 witnesses being examined. Two witnesses declared that guerrilla bands which had gone into Yugoslavia in June, about 500 in number, had crossed into Greek Macedonia and Albania about July 1st, after being sheltered, fed and armed. Six witnesses declared that their bands entered Albania about July 9th - 10th, were escorted by Albanian soldiers, and that they entered Greece from Albania in the Presilion area, met heavy Greek artillery fire, and withdrew into Albania on July 12th, only to return again for further action. Seven guerrillas testified that their bands crossed into Greece from Albania between Pali Kaminikut and Mertzani on July 11th - 15th. It was estimated that about 1,000 men were involved in this violation of the Greek frontier.

I need make no further reference to the very large mass of evidence available since the initial Commission left Greece in March, to justify the point that the findings of the Commission are fully borne out by the subsequent investigations of the subsidiary group.

Non-Cooperation of Yugoslavia, Albania and Bulgaria with Sub-Group

In considering the significance and value of the evidence I have summarised, it is also pertinent to examine the attitude of the Yugoslav, Bulgarian and Albanian Governments to the subsidiary group acting for the Commission on the direction of the Security Council. The fact is that although Greece cooperated fully with the subsidiary group, the other three Governments disregarded the authority vested in the group, by the Security Council, and by one means or another obstructed and delayed the work of the group whenever, in the opinion of the group, investigations were necessary across the Greek frontier. Requests addressed by the group to the

(MORE)

B File

three Governments at various times for assistance and facilities in carrying out investigations across the Greek frontier received official replies from each in almost identical terms, conveying a refusal to permit the subsidiary group to make any investigations on Albanian, Yugoslav or Bulgarian territory on the ground that the official investigations of the respective Governments had demonstrated that no incidents of the kind with which the group was concerning itself had taken place.

The Subsidiary Group itself well characterized the situation in a report to the Commission of Investigation on 25 July when it said (S/441; S/LC.4/290):

"Albanian, Bulgarian and Yugoslav Governments in one way or another have disregarded in Sub-Group's opinion authority vested in it by Security Council and Commission to perform its functions in Northern Greece and other parts of Greece, Albania, Bulgaria and Yugoslavia as Sub-Group might decide necessary. Consequently, Sub-Group has been unable to implement fully terms of reference adopted by Commission on instructions of Security Council although Sub-Group endeavoured throughout its work to promote and assure full cooperation by interested Governments."

I must add further that two members of the subsidiary group did not appear desirous to hear available evidence. When the group was in Greece but close to the Albanian frontier, examining on the spot an incident of early July, it was proposed on one occasion to assemble some local, i.e. Greek, witnesses. The Soviet and Polish members of the group, however, both opposed this procedure on the ground that the witnesses were not formally presented by the Greek Government. The proposal was criticised by them as "an attempt to accomplish something behind the back of the Greek liaison representative and an attempt at the sovereignty of his Government, showing lack of respect to that sovereignty". This sudden deference to and respect for the dignity of the Greek Government, which has been subjected before the Security Council and this Assembly to vituperation and attacks of the most violent and irresponsible character, is surprising but interesting to record.

Greek Situation Endangers Peace

In all these circumstances, what conclusions should this Committee draw? I submit that no reasonable person who has listened to the statements made by the representatives for Greece, Bulgaria, Yugoslavia and Albania, to say nothing of statements made

(MORE)

There could scarcely be a greater perversion of the truth.

B File

Australia
FM/597
6 October 1947

on their behalf by other Governments, can fail to come to the conclusion that there exists on the northern borders of Greece a situation which endangers peace, and which now falls within the jurisdiction of the Assembly because the Security Council has been prevented from acting by the veto of the USSR.

The allegation that the Greek Government is to blame for all the trouble and that it is planning with foreign instigation some assault upon its neighbours seems utterly false. It is inconceivable that this Committee can endorse any such conclusion.

Common Plan Directed Against Greece

On the contrary, it would be more appropriate for the Committee to direct its attention to the aspect of the question to which I referred at the beginning of my remarks, that is to say, the evidence that the three Governments of Yugoslavia, Albania and Bulgaria, together with the other Governments which have supported them throughout, are acting in pursuance of a common plan directed against Greece and through Greece against the conduct and policies of the United States and the United Kingdom. In the same way as the Committee has observed a close similarity in the verbage and intention of the two letters received last week from the Bulgarian and Albanian representatives in reply to the Committee's invitation so it will not have escaped notice that there is a remarkable similarity, if not identity, in the statements we have heard both from these representatives and those of Yugoslavia; the Soviet Union, Poland, the Ukraine and Byelorussia.

By some queer process of distortion, it is alleged in these statements that the Greek Government, in order to maintain itself in power, has brought forward false charges against its northern neighbours in the hope thereby of evoking aid and sympathy from abroad. For their part, the United States and United Kingdom Governments have been accused, under the guise of providing assistance to Greece, of interfering in Greek affairs so as to make Greece an instrument of their own aggressive policy.

British and U.S. Aid to Greece accords with Charter

There could scarcely be a greater perversion of the truth.

E
B

a group if other countries were allowed to be obscured by a cloud of reckless accusations against other Governments who have conducted themselves in this matter with propriety and with full observance of recognized international principles and conduct. It was at the explicit invitation of the Greek Government of the day that British forces remained in Greece after the liberation and that British military and economic assistance was rendered to the Greek authorities in their attempt at reconstituting the shattered life of the country. When the United Kingdom felt no longer able to continue this assistance alone, the task of supporting the Greek economy and of helping the Greek Government where it was needed was carried on by the United States.

The generous American aid to Greece since March of this year has been given at the free will of the Greek people who, in these critical months, would not have known where else to turn for help. The United Nations Charter does not prohibit such aid, even in relation to military action against armed aggression, Article 51 of the Charter expressly contemplates joint defensive action unless the Security Council itself has acted against the aggressor. At San Francisco great care was taken to preserve this inalienable right of collective self-defence and the recent Inter-American agreement of Rio de Janeiro illustrates this fundamental principle.

The motives of both the United States and the United Kingdom in aiding Greece have been openly and frankly stated and are beyond suspicion. Both these countries, as well as Australia and New Zealand whose forces bore so large a share of the campaign of resistance against the almost overwhelming power of Germany in Greece in 1941, value highly the gallant resource and self-reliance of the Greek people. The help now being given to Greece is to help to enable one of the countries of Europe worst crippled by the war to set itself once more on its feet by its own efforts and in so doing to contribute also to European recovery. The means for legal and constitutional settlement of Greece's internal difficulties are not lacking; but it is for this Assembly to express its opinion that no collusive inter-

B F

ference and no attempt at domination from outside, in whatever form it may be disguised, is to be tolerated. The Assembly should also express as its opinion that the Greek people's own efforts towards their rehabilitation as a democracy playing a responsible part in the comity of nations should not be impeded, either by overt acts of military hostility from its neighbors or by the systematic dissemination of untrue slanders against those nations who, in the crisis of war and the extreme difficulties of peace, have proved that "a friend in need is a friend indeed."

It is for the Assembly to pass its judgment on these grave matters. Why? Because the will of the great majority of the Security Council has been frustrated by the exercise of the USSR veto. The case is one of supreme importance. What principles should now guide the Assembly? Let me suggest the answer.

Australian Practice in the Security Council

Australia, as a non-permanent member of the Security Council for the past two years, has endeavoured to act as representative of the general body of the Assembly and as trustee for the noble objectives of our Organization. We have never acted as part of or instrument of any bloc or group. While we have never hesitated to take up a position in opposition to that of the Soviet Union ready at the same time everyone knows that our approach has always been fearlessly independent. The Australian people have admiration for the great war effort made by the Soviet people. However, we expect, but seldom find, the Soviet Union ready in its turn to give some recognition to the efforts of other nations whose proportionate war effort was in every way equal to their own and even longer sustained.

What we have tried to do on every issue in the Security Council, including the Greek case, has been to apply the principles of justice and equity on which the Charter is based. In this regard, Australia was the first country to advocate the practice that, before disputes or situations are dealt with in the Council, there should as a general rule be a preliminary and objective investigation to ascertain the facts. This policy was not accepted at first but in the end it has won almost universal recognition.

Course the Assembly should Follow

I submit that the Assembly should adopt a similar practice, and that its method of approach should not be different from that adopted by the Security Council majority in its consideration of the report of its own special fact-finding commission. The Assembly now has the relevant reports before it and the evidence upon which the reports are based. If, as I believe, the Assembly when dealing with the practices and principles I have outlined, the conclusion must be to accept the relevant findings.

If we accept the findings, we should not hesitate to vindicate the committee by saying so. When the facts of a case are ascertained by an impartial commission of investigation and subsequently accepted by us, those facts should be the basis for all our actions and recommendations. Only if that is done, can the principle of just decision prevail. If a breach of international duty has taken place (and the commission has so found) we should not hesitate to say so and to say so openly. Only by proceeding on that principle can the Assembly carry out the great powers and functions committed to it by the Charter.

END

B E

November 4, 1952

Sir:

Their Majesties the King and Queen of the Hellenes have directed me to convey to the President and Mrs. Truman and to Miss Truman their heartiest invitation to visit Greece as the nation's guests, when they undertake the journey to various countries of the free world which, it is reported, they are considering.

Knowing how very busy the President is at this time, may I ask Your Excellency to kindly bring to his notice this invitation, which I shall, of course, be happy to renew to him in person, whenever he may be able to receive me.

Together with our King and Queen, every man and woman of Greece is anxious to express, on Greek soil, to the father of the Truman doctrine, the affection, admiration and deep gratitude which the Greek people hold for all the President and the American people have done for the survival of Greece, in the face of a peril as deadly as any in her long history. They also wish that all Greece, and particularly the city of Athens, may pay tribute to the great American who has laboured arduously and courageously to unite Europe and to bring peace, freedom and prosperity to a troubled world.

Accept, Sir, the renewed assurances of my highest consideration.

/s/ A. G. POLITIS

His Excellency
Dean G. Acheson,
Secretary of State,
Washington, D.C.

B File

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.



DEPARTMENT OF STATE
WASHINGTON

November 7, 1952

MEMORANDUM FOR MR. CONNELLY:

There is enclosed a copy of a note addressed to the Secretary by the Ambassador of Greece extending an invitation to the President, Mrs. Truman and Miss Truman to visit Greece.

The Department will, of course, be glad to forward the President's reply to the Ambassador.

John F. Simmons
John F. Simmons
Chief of Protocol

Enclosure:
Copy of note.

B File

November 14, 1952

Dear Mr. Ambassador:

Thank you very much for your letter of November fourth, conveying the invitation of Their Majesties the King and Queen of the Hellenes for Mrs. Truman, myself and Margaret to visit Greece.

I appreciate this wonderful invitation. I hope that sometime in the future I may be able to take advantage of it. At the present time it is not possible for me to make any commitments.

Sincerely yours,

HARRY S. TRUMAN

His Excellency
Athanasios G. Politis
Ambassador of Greece
Washington, D. C.

B File

November 21, 1952

MEMORANDUM FOR HONORABLE JOHN F. SIMONS

Chief of Protocol
Department of State

Referring to your memorandum of November seventh to Secretary Connelly, copy attached, the President has addressed a letter to the Ambassador of Greece, acknowledging the invitation extended to the President, Mrs. Truman and Miss Truman to visit Greece.

As suggested, the letter is sent to you herewith for forwarding to the Ambassador.

WILLIAM J. HOPKINS
Executive Clerk

elb

Ltr of 11/14/52 from the President to His Excellency Athanase G. Politis, Ambassador of Greece; re above.

B File